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The Honourable RAYMONDE GAGNÉ,
Speaker

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THE SENATE

Wednesday, December 10, 2025

The Senate met at 2 p.m., the Speaker in the chair.

Prayers.

SENATORS' STATEMENTS

INTERNATIONAL HUMAN RIGHTS DAY

Hon. Leo Housakos (Leader of the Opposition): Honourable senators, on this Human Rights Day, we are reminded that the struggle for human dignity is neither theoretical nor distant. It is unfolding in real time in the lives of men, women and children who face tyranny, terror and persecution every single day.

Beyond our borders, the list of human right abusers remains tragically long: in Iran, where courageous women and men continue to demand their basic freedoms; in China, where the mass internment of Uighurs, the crushing of civil society in Hong Kong and the persecution of dissidents persist without consequences; in Cuba and Venezuela, where authoritarian regimes starve and imprison their own citizens, while democratic voices are kept silent; and in Sudan, where one of the world's worst humanitarian catastrophes is unfolding in near silence.

Colleagues, this brings us to a hard truth: These abuses persist, in part, because the world's democracies have grown too comfortable, too quiet and too willing to look away. Too often Western governments, including our own right here in Canada, are tempted to trade principles for short-term political convenience or economic gain. They soften their voices when dealing with Beijing, even as China imprisons dissidents and threatens almost every neighbour. Here at home, Prime Minister Carney is keen to deepen trade ties with this very regime, as if human rights were an afterthought rather than a precondition.

It is precisely this pattern of appeasement that leads to even more dangerous precedents. When democratic nations reward violent actors with premature recognition, as our Prime Minister did by recognizing a non-existent Palestinian state, it not only rewards terrorism; it reinforces the very dynamic that has used the Palestinian people as shields and led to their suffering for generations, because that suffering is tied directly to this broader pattern of Western appeasement — this long-standing reluctance to make the hard decisions on how to confront bad actors like Hamas.

We have seen the consequences of that moral drift right here at home. They are felt in our own streets right here in Canada, whether it is the targeting of Jewish Canadians or the intimidation of Canadian citizens by foreign agents on our own soil. This is what happens when democracies fail to draw firm lines or when moral clarity is replaced by moral relativism.

Honourable senators, Human Rights Day should not be a ritual observance; it should be a reminder, a warning, even, that silence is costly and that Canada's obligation, along with those of other democratic states around the world, is not to make excuses for oppressors but, rather, to resist — and resist them loudly, unapologetically and without compromise.

Thank you.

SUPPORT FOR SYRIA

Hon. Mohammad Al Zaibak: Honourable senators, as Syria celebrated the first anniversary of its liberation from six decades of tyranny on Monday, December 8, I rise today with immense pride to celebrate a remarkable Canadian story — one that began nearly a decade ago when our country opened its heart and its doors. It is a story that defines who we are as Canadians. It is a story of humanity transcending borders and of strangers becoming family.

In November 2015, Canada made a promise that resonated around the world: We pledged to resettle 25,000 Syrian refugees in just three months. It was audacious, urgent and profoundly Canadian.

What followed was nothing short of a national mobilization of the human spirit. From St. John's to Victoria, from small Prairie towns to bustling metropolises, Canadians answered the call. The basements of churches, synagogues, mosques and temples became welcoming centres; community halls were transformed into language schools; kitchen tables became the setting of life-changing conversations between sponsors and newcomers.

This was not government policy alone; this was Canada at its finest: diverse and united in compassion.

Since then, over 100,000 Syrians have made Canada home. Among them is Dr. Abdulkader Husrieh, who immigrated to Canada with his family in 2017 and built deep family and professional roots in this country. Earlier this year, Dr. Husrieh was appointed to be the Governor of the Central Bank of Syria. In this capacity, he seeks to have Syria rejoin the international community as a responsible, viable partner. He is keen to set up strong financial ties with Canada, and he aspires to rebuild Syria's monetary system using Canada's own as a model.

Honourable colleagues, Dr. Husrieh's story is just one example of what compassion creates, what generosity produces, and how compassion and generosity are paid forward.

When Canada invested in Syrian immigrants and refugees, we were not just saving lives; we were planting seeds that would one day bear fruit in ways we could not imagine. We were investing in our future.

On behalf of the Senate, I wish Dr. Husrieh the successful achievement of his aspirations.

Honourable senators, on December 5, Canada once again demonstrated another act of support for Syria by removing it from Canada's List of Foreign State Supporters of Terrorism, thus welcoming Syria back into the international community and paving the way for significant partnerships with Syria on many fronts.

May the Syrian people find the prosperity and peace they deserve, and may Canada continue to stand as proof that when we extend our hand to those in need, we don't just change their story; we enrich our own.

Thank you, *meegwetch, shukran*.

Hon. Senators: Hear, hear.

[Translation]

VISITORS IN THE GALLERY

The Hon. the Speaker: Honourable senators, I wish to draw your attention to the presence in the gallery of Olivier Parent, Acting Mayor of the municipality of Saint-Laurent-de-l'Île-d'Orléans. He is the guest of the Honourable Senator Moreau.

On behalf of all honourable senators, I welcome you to the Senate of Canada.

Hon. Senators: Hear, hear!

[English]

The Hon. the Speaker: Honourable senators, I wish to draw your attention to the presence in the gallery of Paul Dubé, Ontario Ombudsman; Barb Finlay, Deputy Ombudsman; and Diana Cooke, Director of the Children and Youth Unit. They are the guests of the Honourable Senator Clement.

On behalf of all honourable senators, I welcome you to the Senate of Canada.

Hon. Senators: Hear, hear!

• (1410)

PAUL DUBÉ

ONTARIO OMBUDSMAN

Hon. Bernadette Clement: Honourable senators, I rise to pay tribute to the work of Ontario Ombudsman Paul Dubé and his team, two of whom are with us today: Deputy Ombudsman Barbara Finlay; and Diana Cooke, Director of the Children and Youth Unit.

I first connected with Ombudsman Dubé after hearing about his time in Neskantaga First Nation. Mr. Dubé made the trip after Chief Gary Quisess issued an open invite for folks to witness the needs of his community.

[Senator Al Zaibak]

Mr. Dubé doesn't make a secret of the impact of that trip. Over two days, he had time to witness some of the difficulties that people experience in Neskantaga. We've talked about some of them here already: a decades-old boil water advisory, a closed nursing station and an arena without ice to play on. These challenges are not easily solved, but Mr. Dubé did the work of shining a light and of building relationship.

The work of the ombudsman is so important. It is vital to democracy. When an Ontarian reaches out to Mr. Dubé's office, they're seeking help in holding powerful institutions accountable. They're often reaching out when they're at their most vulnerable.

Here are just two examples of recent cases.

In the first, an incarcerated individual reached out about a rapidly approaching court date. He was scheduled to appear in court in person, but the courthouse was a 15-hour drive away, and facility staff had not made travel arrangements to get him to court. After the ombudsman's office intervened, arrangements were made to ensure the individual could make it to his scheduled court appearance.

[Translation]

In the second, a mother called in a complete panic after receiving a notice that her power was going to be cut off the next day. She was worried about her daughter, who has special needs that require leaving the light on all night. The mediation service was able to intervene with the two administrative institutions to resolve the problem and stop the power from being turned off.

[English]

The ombudsman's work is crucial. Here's how Mr. Dubé described it to me: "Our power is in our voice."

I think his power is also in listening by hearing people out when they feel they have nowhere else to turn and reminding people — in what may be their darkest hour — that they matter. Ombudspeople like Mr. Dubé remind institutions that humans are at the heart of our work. It's a message I'll continue to hold close.

Colleagues, please join me in thanking Mr. Dubé, his team and individuals like them who are working across this country to keep Canadians front and centre in all that we do.

Thank you. *Nia:wen*.

Hon. Senators: Hear, hear!

VISITORS IN THE GALLERY

The Hon. the Speaker: Honourable senators, I wish to draw your attention to the presence in the gallery of Bob Plamondon and Hélène Fortin, external members of the Standing Committee on Audit and Oversight. They are the guests of the Honourable Senators Klyne, Deacon (*Nova Scotia*), Loffreda and Wells (*Newfoundland*).

On behalf of all honourable senators, I welcome you to the Senate of Canada.

Hon. Senators: Hear, hear!

INTERNATIONAL HUMAN RIGHTS DAY

Hon. Marty Klyne: Honourable senators, each year on December 10, we join people around the world in marking International Human Rights Day, which is the anniversary of the United Nations General Assembly's adoption of the Universal Declaration of Human Rights in 1948.

Eleanor Roosevelt famously called it the "Magna Carta of all mankind." The declaration established a shared global commitment to dignity, equality and justice for every person. Canada played a central role in its creation; Canadian lawyer John Peters Humphrey authored the first draft. His study of democratic traditions laid the groundwork for one of the most translated and influential human rights documents in history. Humphrey understood its profound promise that governments everywhere could now be held to a common human rights standard — one that continues to shape Canadian laws and values here and around the world. The protection of human rights has continued, including here at home with the Canadian Charter of Rights and Freedoms of 1982.

Internationally, in 2007, after nearly 25 years of global leadership and collaboration from Indigenous Peoples in Canada, the world adopted the United Nations Declaration on the Rights of Indigenous Peoples, or UNDRIP. UNDRIP clarifies how inherent rights — equality, culture, land and self-determination — apply to the unique situations of Indigenous Peoples. The document affirms the collective and individual rights essential to their survival, dignity and well-being.

In 2021, with Bill C-15, Canada began the implementation of UNDRIP, which was a transformational shift. Parliament's decision responded directly to the Calls to Action of the Truth and Reconciliation Commission and the Calls for Justice of the National Inquiry into Missing and Murdered Indigenous Women and Girls. UNDRIP is our framework for mutual respect and reconciliation. Indeed, I recall some senators vowing to observe and practise one Call to Action daily. I hope you're still keeping that up.

Senators, the message carried through every universal human rights instrument is simple and profound: Leave no one behind. We all benefit when justice is upheld; when all people are safe, valued and protected from discrimination; when all nations are free; and when every person can live with dignity, well-being and hope for a brighter future. On this International Human Rights Day, let us reaffirm Canada's commitment to uphold our common humanity through universal legal rights, to remain a light in the world against the darkness of hatred and to continue with endless resolve the march toward truth, justice and reconciliation. Thank you. *Hiy kitatamihin.*

Hon. Senators: Hear, hear!

VISITOR IN THE GALLERY

The Hon. the Speaker: Honourable senators, I wish to draw your attention to the presence in the gallery of Sabine Soumare, Chief of Staff and Private Secretary to the Lieutenant Governor of Ontario, the Honourable Edith Dumont. She is the guest of the Honourable Senator Mohamed.

On behalf of all honourable senators, I welcome you to the Senate of Canada.

Hon. Senators: Hear, hear!

EXPRESSION OF THANKS

Hon. Mary Jane McCallum: Honourable senators, as I make my earth journey, I have been so enriched by my connection with the people who have helped my personal and professional development by believing in me and seeing what I had to offer and working alongside me and guiding me to be the best I can be. I thank my ancestors, including my parents, who demonstrated to me that I had a purpose and an obligation to contribute to society and to make connections where needed.

There has always been an awareness of destiny for me — a knowing that there is a whole of my story somewhere out there and that people would share it with me, and it comes from many people and many nations.

As I became more open to seeing and hearing deeply different world views with their unique ways of knowing and being, I came to understand a little more about the big world in which I play a part. I wanted to share with you — from a deep heart place — what is true for me.

I want to thank the Conservative caucus for offering me the opportunity to work beside them with the goal of bridging the relationship with Indigenous Peoples in this great country. I knew that if I didn't take this opportunity, I would forever wonder if it could have worked and forever regret it if I didn't take this opportunity that was being granted to me.

A special thank you to Senator D. M. Wells for approaching me over a year ago. Since I became a senator, I have always been welcomed by members of the Conservative caucus. Over time, some of the elements of their world view bumped up against my ways of being and knowing, and I knew it was time to stretch and challenge myself.

In my heart, I know that most of the deep communication of my own walk through life has not been contained entirely in words. Many of you have shown me through action that you respect me, that you took the time to understand me, that you didn't just dismiss me and that you were compassionate, and you were there when I needed your help, even when I was not part of your caucus.

What I notice most are your beautiful eyes. I am honoured to walk on this journey of learning with you — a walk that has no end. My time in the Senate has been difficult for me, but it has been made easier by your listening, your support, your compassion and your humanity. *Kinanāskomitinawow.*

Hon. Senators: Hear, hear!

• (1420)

VISITOR IN THE GALLERY

The Hon. the Speaker: Honourable senators, I wish to draw your attention to the presence in the gallery of Anna Murphy. She is the guest of the Honourable Senator Wells (*Alberta*).

On behalf of all honourable senators, I welcome you to the Senate of Canada.

Hon. Senators: Hear, hear!

DON DARLING

Hon. Dawn Arnold: Honourable senators, it is my pleasure today to introduce to you Don Darling, a lifetime New Brunswicker, community builder and dedicated advocate for social equity and transparency.

Born in Fredericton and raised in Saint John, Don's early experiences shaped his deep empathy, determination and care for others. Don built a successful career as a senior executive and shareholder of one of our region's oldest companies and spent thousands of volunteer hours helping organizations navigate complex issues and deliver meaningful change.

In May 2016, he was elected as the sixty-seventh mayor of Saint John, New Brunswick, and he led the city through significant challenges, tackling them with passion, directness and a commitment to a more sustainable future for the people he served. Since leaving office, he has continued his work, speaking openly about mental health, pursuing other passion projects and advancing deeply affordable housing with non-profit leaders and private developers.

Don believes firmly in personal reflection, responsibility and accountability, qualities he sees as essential to restoring trust in our democracy. A proud Canadian, he believes our greatest strength lies in our kindness and care for one another.

It was my honour to serve alongside Don, and I take this opportunity to highlight him and thousands of municipal leaders across our country who have led and continue to lead our communities where it has the most profound impact on people's lives.

In light of Senator Forest's Bill S-237, An Act respecting a Cities and Municipalities Day, I thought it would be a terrific opportunity to highlight the work and lasting legacy of those who step up and lead their communities, specifically my friend Don.

Please join me in welcoming Don Darling.

[Senator McCallum]

Hon. Senators: Hear, hear!

VISITORS IN THE GALLERY

The Hon. the Speaker: Honourable senators, I wish to draw your attention to the presence in the gallery of Greg Poelzer, Professor for the School of Environment and Sustainability at the University of Saskatchewan; Bram Noble, Professor for the Department of Geography and Planning at the University of Saskatchewan; and Zach Jeffries, Saskatoon City Councillor. They are the guests of the Honourable Senator Muggli.

On behalf of all honourable senators, I welcome you to the Senate of Canada.

Hon. Senators: Hear, hear!

[Translation]

ROUTINE PROCEEDINGS

THE SENATE

MOTION TO AFFECT MEMBERSHIP OF AUDIT AND OVERSIGHT COMMITTEE AND INTERNAL ECONOMY, BUDGETS AND ADMINISTRATION COMMITTEE ADOPTED

Hon. Pierre Moreau (Government Representative in the Senate): Honourable senators, with leave of the Senate and notwithstanding rule 5-5(k), I move:

That, notwithstanding any provision of the Rules, previous order or usual practice, at noon on Thursday, December 11, 2025:

1. the Honourable Senator Saint-Germain replace the Honourable Senator Loffreda as a member of the Standing Committee on Audit and Oversight;
2. the Honourable Senator Loffreda replace the Honourable Senator Moncion as a member of the Standing Committee on Internal Economy, Budgets and Administration, subsequently subject to the provisions of rule 12-5 and the order of June 18, 2025, concerning the duration of membership on committees; and
3. the Honourable Senator Loffreda be chair of the Standing Committee on Internal Economy, Budgets and Administration until the committee's first meeting in 2026.

The Hon. the Speaker: Is leave granted, honourable senators?

Hon. Senators: Agreed.

The Hon. the Speaker: Is it your pleasure, honourable senators, to adopt the motion?

Hon. Senators: Agreed.

(Motion agreed to.)

[English]

MOTION TO AFFECT TODAY'S SITTING AND AUTHORIZE
COMMITTEES TO MEET DURING SITTING OF
THE SENATE ADOPTED

Hon. Patti LaBoucane-Benson (Legislative Deputy to the Government Representative in the Senate): Honourable senators, with leave of the Senate and notwithstanding rule 5-5(k), I move:

That order number 6 under the rubric Reports of Committees — Other, under Other Business, be brought forward and called at the end of Government Business today;

That, notwithstanding the order adopted by the Senate on June 4, 2025, today's sitting continue beyond 4 p.m., if needed, until the earlier of the end of proceedings today on the second report of the Standing Committee on Audit and Oversight or the time provided for in the Rules; and

That committees of the Senate scheduled to meet today be authorized to meet after 4 p.m., even though the Senate may then be sitting, with rule 12-18(1) being suspended in relation thereto.

The Hon. the Speaker: Is leave granted, honourable senators?

Hon. Senators: Agreed.

The Hon. the Speaker: Is it your pleasure, honourable senators, to adopt the motion?

Hon. Senators: Agreed.

(Motion agreed to.)

ADJOURNMENT

MOTION TO AFFECT SITTING ON THURSDAY, DECEMBER 11, 2025,
AND AUTHORIZE COMMITTEES TO MEET DURING
SITTING OF THE SENATE ADOPTED

Hon. Patti LaBoucane-Benson (Legislative Deputy to the Government Representative in the Senate): Honourable senators, with leave of the Senate and notwithstanding rule 5-5(k), I move:

That, notwithstanding rule 3-1(1), when the Senate next adjourns after the adoption of this motion, it do stand adjourned until Thursday, December 11, 2025, at 1:00 p.m.; and

That committees scheduled to meet on that day be authorized to meet, even though the Senate may then be sitting, with rule 12-18(1) being suspended in relation thereto.

The Hon. the Speaker: Is leave granted, honourable senators?

Hon. Senators: Agreed.

The Hon. the Speaker: Is it your pleasure, honourable senators, to adopt the motion?

Hon. Senators: Agreed.

(Motion agreed to.)

NOTICE OF MOTION

Hon. Patti LaBoucane-Benson (Legislative Deputy to the Government Representative in the Senate): Honourable senators, I give notice that, at the next sitting of the Senate, I will move:

That, when the Senate next adjourns after the adoption of this motion, it do stand adjourned until Tuesday, February 3, 2026, at 2 p.m.

NATIONAL DIFFUSE INTRINSIC PONTINE GLIOMA AWARENESS DAY BILL

FIRST READING

Hon. Yonah Martin (Deputy Leader of the Opposition) introduced Bill S-244, An Act respecting National Diffuse Intrinsic Pontine Glioma Awareness Day.

(Bill read first time.)

The Hon. the Speaker: Honourable senators, when shall this bill be read the second time?

(On motion of Senator Martin, bill placed on the Orders of the Day for second reading two days hence.)

VITAL ROLE OF IMMIGRANTS

NOTICE OF INQUIRY

Hon. Tony Loffreda: Honourable senators, I give notice that, two days hence:

I will call the attention of the Senate to the vital role that immigrants have played — and continue to play — in shaping Canada's economic growth, cultural richness and social fabric.

• (1430)

QUESTION PERIOD

PUBLIC SAFETY

FOREIGN INTERFERENCE

Hon. Leo Housakos (Leader of the Opposition): Government leader, despite legislation requiring a foreign influence registry, the Liberal government has neither set it up nor named the commissioner to run it.

Colleagues, we have all seen first-hand, over the past few years, attempts to drag our feet, even in this place, when it comes to foreign registry legislation, despite the fact that we have heard, time and again, from the RCMP, CSIS and other security forces that Canada has a deep problem with foreign influence. We even had a public inquiry before we had a bill.

In that inquiry, Justice Hogue called foreign interference “. . . a serious threat” Yet your government leaves the registry existing in name only.

Honourable colleagues, we should all be concerned. We passed that bill back in June 2024. When we did so, we had a commitment from the government that by year-end, it would have the registry in place.

After repeated promises, why is there still no political will to make this essential safeguard operational yesterday?

Hon. Pierre Moreau (Government Representative in the Senate): Thank you for the question. Foreign interference and transnational oppression are serious threats facing Canadians and Canadian institutions. The government recognizes that.

The government is committed to keeping Canadians safe. This includes moving forward with implementing the Foreign Influence Transparency Registry as provided. I am told it will be launched soon. Canadians can expect to hear more details about who will lead the Foreign Influence Transparency Registry soon as well.

The government will give the National Security and Intelligence Review Agency more tools to combat modern threats and remain vigilant against foreign interference to protect our security and democracy.

Senator Housakos: Honourable colleagues, “soon,” according to the government when we passed the bill, was the end of 2024. Now we’re at the end of 2025, and it’s “soon” again. Your own deadlines have come and gone. If foreign interference is as serious as you claim, how can you justify continued delays on a tool that every major democracy already relies on? “Soon” has already been 539 days. Can you give us a precise date of when “soon” will be? Is it 2026 or 2027? What does “soon” mean?

Senator Moreau: I guess that “soon” means soon, Senator Housakos. It’s quite easy to understand. We have a dictionary here with a definition of “soon.”

That being said, last week, the justice minister was here. He made the commitment to table a bill. The bill has been tabled. I hope you will agree with me on implementing that bill “soon” as well.

FINANCE

COST OF LIVING

Hon. Leo Housakos (Leader of the Opposition): Government leader, for weeks, we have watched the explosion in food bank usage, which is now at the highest level in Canadian history. Your answer is that this is not the Canada you see. Your minister answered yesterday that Canadians going hungry is simply due to climate change.

Senator Moreau, a quarter of Canadians are turning to food banks for basic groceries. That should not be normal in a G7 country. How can you tell us that these Canadians are not living in a nightmare situation and insist they should recognize that good things are happening in this country? Maybe that goodwill is something you can pass out with food coupons in these food lines.

Hon. Pierre Moreau (Government Representative in the Senate): Well, I think that the minister was right. Food inflation is tied to the global supply chain and climate-driven shocks, as well as currency pressures. It’s not government-related.

Budget 2025, though, which is the responsibility of the government, invests directly in Canadian food resilience. Why is it, Senator Housakos, that your colleagues in the other place voted against Budget 2025, and why are you asking about food insecurity in this place when your colleagues are voting against measures that will remedy it? Budget 2025 builds on action while protecting vital programs. Why are the Conservatives voting against that budget?

Senator Housakos: You’re right about one thing: A weak dollar is driving the cost of food in this country through the roof. A weak dollar is being driven even weaker because of debts, deficit and lack of foreign investment in this country.

Canada’s HungerCount report indicates 2.2 million monthly food bank visits, many of which are made by full-time working families. Senator Moreau, isn’t runaway food bank reliance the clearest evidence that Canadians simply cannot afford your Carney Liberal government anymore?

Senator Moreau: I was right about another thing that you did not say, which is that the Conservatives vote against the budget, even though that budget would provide up to 400,000 kids with healthy, reliable meals, meaning that parents would have a real measure of relief. Why are you asking these questions when you’re voting against measures that would help kids, families and Canadians across the country?

[Translation]

The Hon. the Speaker: Order, please.

HEALTH

NICOTINE PRODUCTS

Hon. Chantal Petitclerc: Senator Moreau, I'm thinking of our former colleague, the Honourable Judith Seidman, as I ask this question today. When she retired, she entrusted me with the mission of continuing to ask questions on this important issue.

In 2024, the federal government restricted the sale of nicotine pouches so that they could only be sold in pharmacies to people aged 18 and over who are trying to quit smoking. Of course, part of the reason for this government action was to protect young people.

Last week, a CBC News investigation revealed that these outlawed nicotine pouches, in high dosages and fruit flavours, are still readily available in corner stores across Canada.

On November 28, 2023, in Question Period, the Government Representative in the Senate assured us that Health Canada was very serious about —

The Hon. the Speaker: I'm sorry, Senator Petitclerc.

Hon. Pierre Moreau (Government Representative in the Senate): I did hear your question.

The issue has indeed been raised with Health Canada. I'm told that Health Canada is taking the necessary steps to ensure that the provisions prohibiting the sale of these pouches anywhere but in pharmacies are enforced. Obviously, I will pass on your question to the people at Health Canada.

You're probably aware that steps have been taken to ensure that these pouches are commercially unattractive, because we know that they can cause serious health problems, especially for young Canadians. I'm told that steps are being taken to have these products removed from any stores that are selling these pouches illegally. I'll pass on your concerns and those of our former colleague.

Senator Petitclerc: Thank you.

I'd also like you to convey my wish that Canada become a leader on this issue. Consider France, for example, which decided that nicotine pouches, as well as oral nicotine gums and lozenges, would be completely banned as of March 2026. Maybe we shouldn't restrict ourselves to following our own rules. Maybe we should follow the rules of bolder countries, too.

Senator Moreau: I'll certainly pass on the information that you just gave us to Health Canada. I assume that they're aware of what other governments can do. I'll also convey my personal wishes by adding that, in my opinion, drawing inspiration from the best is always a good example to follow.

[English]

EMPLOYMENT AND SOCIAL DEVELOPMENT

SUPPORT FOR SENIORS

Hon. Margo Greenwood: Senator Moreau, I would like to ask a question about the proposed UN Convention on the Rights of Older Persons. We should all have the right to age peacefully and with dignity, but for many, this is not always the case. There are 430,000 seniors living below the official poverty line. Older Canadians face higher rates of food insecurity and unmet home care needs, and between 4% and 10% experience elder abuse. When we further disaggregate this data, we find that racialized Canadians continue to fare even worse.

• (1440)

The World Health Organization, or WHO, makes it clear that countries will face major challenges to ensure that their health and social systems are ready for the coming demographic shift. Secretary McLean told senators that the UN Convention on the Rights of Older Persons requires global cooperation, and Canada is ready to do its part.

Senator Moreau, what is Canada doing to actualize the proposed convention?

Hon. Pierre Moreau (Government Representative in the Senate): Thank you, Senator Greenwood, for fighting for the rights of the elderly.

I would reiterate that the minister said that Canada stands ready to do its part with international partners. In addition, the federal government continues to work closely with provincial and territorial partners to ensure that seniors here at home are supported. The government has taken numerous steps to increase supports for seniors, including increasing Old Age Security, or OAS, launching the National Anti-Fraud Strategy, the Code of Conduct for the Prevention of Economic Abuse and the New Horizons for Seniors Program, to name but a few.

I will certainly raise your question again with the minister to make sure that the rights of all senior citizens — including us in this chamber — are protected.

Senator Greenwood: Will Canada formally commit to adopting the proposed UN Convention on the Rights of Older Persons?

Senator Moreau: Again, I will raise your question with the minister.

ENVIRONMENT AND CLIMATE CHANGE

CLEAN FUEL REGULATIONS

Hon. Todd Lewis: Senator Moreau, canola producers have waited patiently for new market opportunities. Canada's Clean Fuel Regulations require primary suppliers of gasoline and diesel to reduce the carbon intensity of the fuels that they produce and import.

Compliance credits can be created by supplying low-carbon intensity fuels, for example, ethanol, biodiesel and renewable diesel, which can use canola and other grains as feedstock.

In 2024, 23% of the feedstock used to create renewable diesel was used cooking oil, or UCO. However, investigations from the United States and the EU suggest that UCO, largely sourced from Asia, might contain virgin palm oil. The EU has recently adopted stricter import conditions for UCOs that are destined for biofuel production, and the U.S. has made policy changes as well.

Senator Moreau, will the government amend the Clean Fuel Regulations to prevent import of UCO-based biofuel from collecting biofuel credits?

Hon. Pierre Moreau (Government Representative in the Senate): Thank you. As you may be aware, Senator Lewis, on September 5, 2025, the Government of Canada announced its intent to make targeted amendments to the Clean Fuel Regulations, or CFR, to strengthen the resiliency and support of the development of Canada's low-carbon fuel sector while maintaining the regulations primarily focused on lowering greenhouse gas emissions and transitioning to a low-carbon economy.

As a next step in the government's commitment to further examine concerns raised about potential compliance risks related to imported low-carbon fuel feedstock used for CFR, including used cooking oil, the government will assess the verification and certification requirements in other jurisdictions as well as best practices regarding traceability, tracking and data management across the feedstock supply chain.

Senator Lewis: Thanks for that, Senator Moreau.

Canola producers find it extremely frustrating that, on one hand, the Government of China has banned canola imports and, on the other hand, the Government of Canada is allowing the import of used cooking oil mostly sourced from China to compete against domestically produced canola. Will you please let the government know that canola producers stand ready to supply Canadian consumers with a Canadian-sourced product?

Senator Moreau: I certainly will. I understand. Perhaps you know that Environment and Climate Change Canada welcomes input on other actions or steps relating to the treatment of imported low-carbon fuel feedstock, including UCO. The next steps required to accomplish these goals are being informed by ongoing consultations, which will close on January 15, 2026.

JANE GOODALL BILL

Hon. Marty Klyne: Senator Moreau, last December, many Canadians celebrated this Senate's passage of Bill S-15, a government version of the Jane Goodall Act. With that bill, Canada could have achieved the world's first legislated phase-out of elephant captivity. The bill would also have ensured that great apes like chimpanzees — our closest relatives — stay out of the hands of roadside zoos and private individuals.

Bill S-15 was supported by the late Dr. Jane Goodall, the late Honourable Murray Sinclair, leading scientists, law professors, Canadian zoos, animal welfare organizations and even the artist Cher.

In the election, the government pledged to reintroduce the bill. Would you please convey to the government that many parliamentarians, including me, along with thousands of Canadians, stand ready to help see this bill cross the finish line?

Hon. Pierre Moreau (Government Representative in the Senate): Thank you, Senator Klyne. I have been told that you were an excellent sponsor for that bill as well. I wasn't there at that time in the previous Parliament.

I would be happy to raise this issue with the relevant minister and to ensure the government understands those perspectives. I will certainly raise your question with the appropriate departments.

Senator Klyne: Compliments will get you everywhere, and I see we have twin ties.

As a supplementary, one priority of Bill S-15 was to protect mother and daughter elephants from being sold apart, as they normally stay together for life. Sadly, this has been a practice in Canada. To keep elephant families together, will the government please consider an interim regulatory ban on the import and export of elephants under section 21 of the Wild Animal and Plant Protection Regulation of International and Interprovincial Trade Act?

Senator Moreau: Thank you, Senator Klyne, for the tip about the compliment.

I'm not aware of any imminent changes, but I will certainly include this when I speak with the minister. I understood your question, and I will get back to you with the information.

INTERNATIONAL TRADE

TRADE TARIFFS

Hon. Yonah Martin (Deputy Leader of the Opposition): Government leader, yet another vital sector of Canada's economy is under direct threat from the United States. Yesterday, President Trump signalled that very significant tariffs are coming for Canadian fertilizers, a major blow to Prairie producers and our potash industry.

Once again, your government is caught unprepared — no plan, no strategy, no urgency. Farmers are already struggling with skyrocketing costs and an ever-growing list of tariffs on canola, soybeans, beef and more. Now, Washington is warning that further pain is on the way.

Senator Moreau, the Prime Minister promised a deal with the U.S. by July 21. Nearly five months later, all your government has delivered is uncertainty and economic damage. Where is the deal, Senator Moreau?

Senator Housakos: Soon, soon. It's coming.

Hon. Pierre Moreau (Government Representative in the Senate): Thank you. The Government of Canada is committed to helping every sector in this country that is challenged by unjust tariffs imposed by the United States. We still hope for a deal with the United States. I know that the government and its officials are working very hard to get this done, but it is a two-way street. You're not negotiating when you don't have anyone in front of you.

I can assure you that the government is committed to helping all sectors that are impacted by unjustified tariffs imposed by the United States.

Senator Martin: As I said, five months later, your government's record speaks for itself. Since failing to deliver a deal with the U.S., Canadians have seen U.S. tariffs on softwood lumber triple, 1,000 layoffs at Algoma Steel, 3,000 layoffs at Stellantis, production cuts at GM in Ingersoll, Ontario, and over \$40 billion of investment gone from the Canadian economy into the U.S.

Senator Moreau, isn't it clear that Canadians simply cannot afford the cost of Carney?

Senator Moreau: It seems that, contrary to the opposition, Canadians understand that not all sectors of the economy being impacted by the tariffs are related to actions taken by this government. Quite to the contrary, just to remind you, 62% of Canadians are at this point satisfied with the government. A majority of 67% think that Canada's economic challenges are caused by either global trends or U.S. pressure.

You have to realize that, instead of painting a portrait that is not —

The Hon. the Speaker: Thank you, Senator Moreau. Senator Martin?

VETERANS AFFAIRS

OVERPAYMENTS TO VETERANS

Hon. Yonah Martin (Deputy Leader of the Opposition): A shocking Global News report revealed that nearly 100 Canadian veterans have now received repayment demands from Veterans Affairs, not because of wrongdoing on their part, but because the government failed to process income information they submitted years ago.

• (1450)

These are men and women who served our country with honour, now blindsided by a clerical error by your government and told to repay tens of thousands of dollars and, in some cases, up to \$60,000.

Senator Moreau, how could Veterans Affairs allow supposed debts to accumulate for up to five years before notifying the very people this government claims to support?

Hon. Pierre Moreau (Government Representative in the Senate): Neither Budget 2025 nor the budget implementation act impact the Income Replacement Benefit.

Veterans Affairs Canada will work with individual veterans on a case-by-case basis to ensure no one experiences undue hardship as a result of any overpayment they might owe.

Senator Martin: This is not an isolated failure, Senator Moreau. Your government is cutting \$4 billion from Veterans Affairs, reducing disability payment rates for some veterans and curtailing essential treatments, like shockwave therapy. Now veterans are once again left vulnerable because your government refuses to take accountability for its own mistake.

Senator, does your government have any compassion at all for the veterans it keeps failing?

Senator Moreau: Not only the government but myself — I have the utmost respect for all Canadian veterans.

Let me be clear. The budget invests \$184 million, with \$40 million ongoing, to modernize and strengthen service delivery for veterans, although you voted against those measures.

How can you stand here to speak on behalf of veterans when you vote against measures that are needed by them and that the government wants to implement to help them?

EMPLOYMENT AND SOCIAL DEVELOPMENT

NATIONAL VOLUNTEER ACTION STRATEGY

Hon. Tony Loffreda: Senator Moreau, December is the season of giving. Unfortunately, it is also a time of the year that can be especially difficult for many Canadians. Yet, it remains a moment when those who are more fortunate step up to donate and volunteer, a powerful reminder of how Canadians look out for one another.

We know that in any given year, roughly three quarters of Canadians volunteer in some capacity. In its pre-budget submission, Volunteer Canada called on the government to invest \$1.5 million to finalize the development and early implementation of the National Volunteer Action Strategy, a core component of our national civic infrastructure that could stand to benefit all Canadians.

Is the government giving consideration to Volunteer Canada's request, and what role might it play in supporting this strategy?

Hon. Pierre Moreau (Government Representative in the Senate): Thank you for the question, Senator Loffreda, and for highlighting the important work of volunteers around the country and of Volunteer Canada.

Through Budget 2024, the government announced \$400,000 to support Volunteer Canada in the development of their National Volunteer Action Strategy.

Yesterday, we had the minister here. It's unfortunate that the question was not raised with the minister. I'm sure that she would have provided you with a broader answer than I did, but I will certainly raise the question with her.

Senator Loffreda: Thank you for that. The United Nations has declared 2026 the International Volunteer Year, a year-long initiative celebrating the power of community engagement. The government stated that it intends to honour the contributions of volunteers and their role in addressing societal challenges and fostering positive change throughout the year.

What formal investments has the government committed to in order to enhance these celebrations and recognize Canada's spirit of volunteerism?

Senator Moreau: Thank you. Over the course of this year, the government is committed to celebrating the efforts of volunteers in addressing societal challenges and fostering positive change with a focus on the power of community engagement and creating the sustainable change to eradicate poverty, promote social inclusion and protect the planet. It is through collective action and the invaluable contribution of individuals working for the common good that real change can happen.

AGRICULTURE AND AGRI-FOOD

FOOD SECURITY

Hon. Robert Black: My question is for the Government Representative.

Senator Moreau, we are living in different times. The cost of food is increasing, and food insecurity is a growing concern. According to *Canada's Food Price Report 2026*, compared to five years ago, food prices have increased 27%, with nearly 85% of Canadians reporting their household food expenses have increased in the last 12 months.

Agriculture has taken a back seat in policy development, and fewer Canadians understand where and how their food is produced. Food needs to be a priority and a foundation for our growth as a country. Yet, your government continues passing legislation to cut funding or add policies that are negatively affecting agriculture and causing unforeseen consequences.

When will your government start to integrate a food lens perspective when developing policies across all departments to protect agriculture?

[Senator Loffreda]

Hon. Pierre Moreau (Government Representative in the Senate): It's important to underline, no matter what the Conservatives think, that food inflation is tied to global supply chains, climate-driven shocks and currency pressures.

Budget 2025 invests directly in Canadian food resilience, more processing capacity here at home, a stronger supply chain and support for producers facing volatile input costs.

Having said that, this government is acutely aware of the affordability issues that Canadians face, and that is why the government ensured that reducing costs for Canadians is at the core of every decision this government makes, and that includes decisions related to the agricultural sector.

Senator Black: Senator Moreau, as you have heard me say before, food security is national security.

When our farmers, producers and ranchers incur additional fees because they lack support from our government, these costs are passed down to consumers at the grocery store, increasing food expenditures and making it difficult for Canadians to feed their families. Making food essential must be a core element within policy and in everything we do.

When will your government give the agriculture sector a seat at the decision-making table instead of ignoring how legislation and policy are affecting food security and food sovereignty?

Senator Moreau: The government certainly agrees with you, senator, that the agricultural sector is of vital importance to Canada. I, myself, am from the agricultural sector. I was born and raised on a dairy farm. This is why the government has invested heavily in Budget 2025 to ensure that the sector has the support it needs during this uncertain time.

I don't have time to list all the investments, but I'm sure that you are already well aware of them. However, I will assure you that the government will continue to work with the agricultural sector.

[Translation]

IMMIGRATION, REFUGEES AND CITIZENSHIP

ASYLUM SEEKERS

Hon. Julie Miville-Dechéne: Senator Moreau, in Quebec, Amnesty International and other NGOs are denouncing the measures in Bill C-12 that aim to reduce the number of asylum seekers allowed to remain in Canada.

In order to be heard in person by the Immigration and Refugee Board, these applicants will be required to submit their asylum claim within one year of their arrival. Otherwise, they will be forced to submit their case to officials, and the final decision is rarely positive. These shorter deadlines are concerning, because asylum seekers face many obstacles, and this is especially true for women, who may be victims of abuse or violence that can slow down their application process. Why this change of course?

Hon. Pierre Moreau (Government Representative in the Senate): Bill C-12 is an important piece of legislation that addresses several issues that we will have the opportunity to examine here, including the fight against transnational organized crime, drug trafficking and illegal weapons trafficking.

To answer your question more specifically, this bill also seeks to protect the integrity of our immigration system through a number of measures, including limiting the time frame for asylum claims, which is at the heart of the concerns you just raised.

Senator Miville-Dechêne: Continuing with these concerns, will Canada still be meeting its international obligations if it limits the possibility for asylum seekers to be heard by the Immigration and Refugee Board? Are we risking our reputation as a country that is generous towards human beings who are in danger in their own country?

Senator Moreau: The short answer is definitely no. I want to be clear that Canada will always meet its international obligations, including those relating to asylum seekers. As you said, Canada has a solid reputation as a generous country that welcomes those who are fleeing violence. That is why the government is taking steps to ensure the integrity of our immigration system, and Bill C-12 is clear evidence of that.

• (1500)

[English]

ORDERS OF THE DAY

BUSINESS OF THE SENATE

Hon. Patti LaBoucane-Benson (Legislative Deputy to the Government Representative in the Senate): Honourable senators, pursuant to rule 4-12(3), I would like to inform the Senate that as we proceed with Government Business, the Senate will address the items in the following order: second reading of Bill C-17, followed by all remaining items in the order that they appear on the Order Paper.

APPROPRIATION BILL NO. 3, 2025-26

SECOND READING

Hon. Sandra Pupatello moved second reading of Bill C-17, An Act for granting to His Majesty certain sums of money for the federal public administration for the fiscal year ending March 31, 2026.

She said: Honourable senators, I am pleased to speak as sponsor of Bill C-17, appropriation act no. 3, 2025-26, which will provide funding as outlined in the Supplementary Estimates (B) tabled in the Senate on November 18.

As honourable senators know, appropriation bills are the series of reports that detail proposed departmental spending. Supplementary estimates contain updated and revised proposed spending at regular intervals throughout the fiscal year to allow government to continue to deliver programs. We're talking a lot about budgets these days; that's for next April 1. This is talking about this year and how we will get from here until the end of March.

Each year, roughly 130 federal organizations submit their planned expenditures, which are then consolidated by the Treasury Board and put into the Main Estimates. The Main Estimates provide a detailed breakdown of planned spending, accompanied by departmental plans, expected results and resource requirements over a three-year period. The Departmental Results Reports inform parliamentarians and Canadians about the results the government is achieving.

However, as we know, every expense cannot be predicted, and all activities of the day for the government cannot be predicted in advance. Priorities shift rapidly. We have seen quite a bit of that this year. Urgent needs, economic fluctuations, natural disasters or unforeseen global events often require swift responses. New programs or priorities announced after the Main Estimates sometimes require urgent funding, and without this kind of flexibility to allocate additional funding, the government would risk delaying essential services that Canadians need.

Supplementary estimates, such as these Supplementary Estimates (B), provide that flexibility. Together, the Main Estimates and supplementary estimates provide a comprehensive view of the government's spending plans and adjustments. In the past, the Main Estimates would be prepared before the federal budget was introduced. This would result in many items in the budget not accounted for in the Main Estimates. Adjustments to estimated government departmental spending would have to be then submitted in Supplementary Estimates (A), (B) and (C) throughout the year.

Because the government has changed the timing of that federal budget being proposed in October, in the fall — well ahead of the new fiscal year — this will mean improvements for us. Perhaps we'll have fewer supplementary estimates because we will have a better view of what is to come, given the timing of the budget. More budget measures will be included in the Main Estimates, which will allow us parliamentarians to better anticipate those public expenditures.

The bill before us today proposes spending updates and adjustments from 76 of those 130 departments and agencies reporting to government, including Crown corporations. Approval of \$10.8 billion is what they're seeking. That caused the National Finance Committee to ask all kinds of questions about what made up that \$10.8 billion.

[Translation]

This proposed funding would address Canadians' key priorities by supporting the Canadian Dental Care Plan, which provides coverage to more than 5.5 million Canadians, supporting major military procurement projects, strengthening emergency management in First Nations communities and supporting the education of Indigenous youth. It would be particularly useful to briefly review the important context affecting how the government makes its funding decisions.

Let us now look at the details of the Supplementary Estimates (B), 2025-26.

I will begin with an initiative that is truly life-changing for Canadians, and that is the Canadian Dental Care Plan. For too long, oral health has been treated as separate from overall health, and yet we know that the two are related. Furthermore, for many Canadians, cost is a significant barrier to accessing such care. In 2023-24, nearly one in four Canadians avoided going to the dentist because of financial constraints. Approximately one third of the Canadian population does not have any dental insurance.

[English]

One in four are avoiding seeing a dentist because of financial constraints, and one third of the population do not have insurance. These gaps have real consequences.

The Canadian Dental Care Plan is designed to close those gaps. It provides coverage for Canadians who do not have private dental insurance and whose household income is under \$90,000. These are not luxuries but necessities.

That is why the largest allocation in Supplementary Estimates (B) is proposed for Health Canada, at \$1.6 billion.

Why is there this increase? That's an important question that our committee addressed with the bureaucrats. They said there was a much larger uptake than anticipated. Now, we are at 5.5 million people. It is anticipated that over the course of several years, it will reach 9 million. In fact, the costs were so much higher than anticipated — so many avoided going to the dentist initially that when they finally got the opportunity to go, they had issues they had been dealing with their whole lives. So those initial visits were actually very costly and necessary.

It is foreseen that over the next few years, those costs per individual will begin to come down. It is important to understand why it would be so much more expensive than originally anticipated.

I want to itemize the second-largest item in the Supplementary Estimates (B), which is defence.

You will recall that the Supplementary Estimates (A) were largely focused on defence, at \$9.5 billion. It continues to be a priority in Supplementary Estimates (B). That is no coincidence: We are at a pivotal moment in our history. We face advanced weapons and technologies capable of reaching our shores, state and non-state actors willing to disregard international norms and a shifting world order that challenges long-standing alliances and compels us to rethink our role in the world.

[Senator Papatello]

Canada must respond decisively to these challenges, strengthen our ability to safeguard our territory and people and continue to work closely with our allies. This means becoming more resilient and better prepared for both military and non-military threats.

While these challenges are significant, they also present opportunities to innovate and to lead.

[Translation]

The government is meeting NATO's defence spending target of 2% of GDP for this fiscal year. It is strengthening our presence in the North, a region that is essential to Canada's sovereignty and that is becoming increasingly exposed to new risks. The government is also making significant investments in the Canadian Armed Forces, which is why the Supplementary Estimates (B) provide for a significant investment of \$1.1 billion in planned expenditures for the Department of National Defence.

[English]

This includes almost \$300 million for various multi-year defence investments, not only to enhance our national security and resilience but also to drive economic growth. There is also my favourite item in these supplementary estimates, which is the proposal for the River-class destroyer to replace — and I see our good senator across the aisle nodding appreciably — aging vessels and enhance Canada's naval abilities. I can't recall the last time we had this kind of a purchase to support our Canadian shores.

• (1510)

The River-class destroyer is a fast, manoeuvrable and long-endurance class of warship capable of conducting operations, escorting larger vessels and defending against a wide range of threats. Because it is so versatile and capable, it can operate anywhere in the world either independently or as part of a task group. In fact, we're going to have 15 eventually. This is just the beginning with those first three, so this amount of \$215.1 million is important. It's designed to be combat capable, enabling highly trained sailors to respond to any scenario with state-of-the-art equipment.

I was so excited about this that I went to Staples and printed off a large photo so that you can see it. Because I can't bring a poster into the chamber, the best that I can do is ask my colleagues to pass it around so that you can all have a look. I will pass it to my colleagues. After we're through, I'm happy to pass this around to everybody in our house because it's pretty awesome, and we're going to be proud.

In the order of magnitude of numbers in budgets, billions and trillions and hundreds of millions are not a tangible thing that you can touch. This is tangible. The size of this ship is one and a half times the size of a Canadian football field. It's just for the image. It makes you proud. It was well worth the trip to Staples.

It will be capable of conducting air, surface, subsurface and information warfare in patrol conditions or full-scale combat which, of course, we hope to avoid. In short, it will provide the ideal foundation for the navy of tomorrow, built to serve Canada and protect Canadians.

When looking at the estimates in their entirety for the Department of National Defence, it will be \$46.7 billion, which is an increase of roughly \$12.2 billion or 35% from the previous year, and it will happily meet targets that have been internationally laid out for Canada.

[Translation]

Honourable senators, these supplementary estimates also include significant investments to address historic harms and improve essential services for Indigenous Peoples.

[English]

The Department of Indigenous Services is seeking an additional \$705.9 million for emergency management in First Nations communities, ensuring they have resources to respond and recover from natural disasters and other crises. This is another area where we spent time speaking with bureaucrats from Indigenous Services Canada, and we determined that they spent hundreds of millions due to all of the fires that we saw in the last season, reimbursing provinces and First Nations for the cost of taking care of these things. In addition, \$154.6 million will be directed to elementary and secondary education, supporting better learning environments and better opportunities for Indigenous students.

Honourable senators, these measures reflect a commitment to reconciliation and to improving the quality of life for Indigenous Peoples. They address immediate challenges while investing in education and resilience for the future. Together, they form part of a broader effort to strengthen relationships and ensure that all communities have the ability to thrive.

Honourable senators, the estimates are an important tool. They allow us to see how we're spending people's money. The government believes that the public and their elected representatives deserve the opportunity to scrutinize, and I can tell you that is what the National Finance Committee did. As always, I urge honourable senators and the public to take full advantage of information available through the estimates. It can also be accessed online at Canada.ca. GC InfoBase is another helpful tool that provides a clear and accessible view of government spending through helpful visual insights.

In conclusion, the bill not only provides clarity on how public funds will be used but also demonstrates that the government is responding to immediate needs, making the shifts and changes that they need as life happens.

I would like to thank the National Finance Committee because, for me, it was a terrific opportunity to watch them in action, diligently pushing and prodding those people coming from

various departments to answer the questions of how they are spending people's money. I also want to thank those departmental officials who came and did the best they could to answer those myriad of questions as well.

Thank you, and I look forward to the support of this bill.

Some Hon. Senators: Hear, hear!

Hon. Denise Batters: Would Senator Papatello take a question?

Senator Papatello: I will take a question.

Senator Batters: In your remarks, you referenced major military acquisition projects. You said that the total of Bill C-17 is \$10.8 billion. Later in your remarks, you referenced \$1.1 billion is for the Department of National Defence. I'm not sure. Is that the total of the major military acquisition projects in this projected estimates amount?

You referenced \$300 million for multi-year defence investments, and then you talked about the River-class destroyer, which I think you said was \$215 million. I'm wondering: Are there any other large projects? Is there anything for the F-35s? Is there anything else that is of major consequence to that? Is it correct that of the \$10.8 billion, just \$1.1 billion is the defence part?

Senator Papatello: Thank you, senator, for the question. The large 15-vessel purchase is over \$22 billion, which will be over many years. This additional \$215 million is specifically for the first three vessels that are currently being built. That's what that amount is.

In the Supplementary Estimates (A), we talked wholly about military spending and the additional \$9.5 billion or so. That was for a whole range of areas in defence. Today, in the Supplementary Estimates (B), we're looking for that \$1.1 billion, and \$215 million of which is related to this River-class destroyer.

I hope that's clearer.

Senator Batters: Thank you very much. Other than the River-class destroyer, what are the other major military projects included in that \$1.1 billion, please?

Senator Papatello: It is a pretty extensive list. I will hand it over to you shortly.

Senator Batters: Okay. The total amount is \$10.8 billion, and you reference that portion being \$1.1 billion, so it's about 10% of the total. You also spoke about the Indigenous portion being about \$705 million, so that leaves a substantial amount remaining. You also mentioned the Canadian Dental Care Plan, so I'm just wondering: What are the other largest amounts out of this \$10.8 billion? So far, we have heard the actual dollar figures for about 20% of it.

Senator Papatello: Because there were 76 agencies making submissions to include their requests, the list is quite extensive. The point of this 15-minute speech or so — I might have reached 20 minutes — was to try to highlight the largest expenditures, but there are other large ones. For example, more than \$500 million goes to the public service insurance plans and programs because those costs have been rising. We have all faced that on a personal level, and the government has also faced it in the kinds of benefits we are providing to employees, for example, across government. That was another large amount. But we can certainly offer you the entire list of what makes up the total we're requesting in the Supplementary Estimates (B). Those are the large ones I was expressing in this discourse.

Senator Batters: You do actually have up to 45 minutes for these speeches, so when talking about \$11 billion, you can certainly take the time that we need to understand what the total amounts are.

What I'm also wondering about is the Canadian Dental Care Plan. What is the total for that, and what is this amount supposed to do?

Senator Papatello: I didn't think that anyone would want to hear me speak for 45 minutes, but I will take that under advisement for the next round.

The Canadian Dental Care Plan is a work-in-progress, and we heard from bureaucrats, as the National Finance Committee members are aware, that we may hear from them again. The numbers that have come in regarding usage has changed. They did not expect to have a 60% increase in individuals applying and being eligible for that program. A great part of the increase was being overwhelmed by people actually applying and being subject to getting into the program and taking advantage of it. There are 27,000 dentists, oral surgeons and others involved who are delivering services. I think that, too, is a number that was much more than they anticipated, and that's from coast to coast to coast.

• (1520)

As they come together, request more and see more take-up, it will be a program that they anticipate eventually serving 9 million Canadians. So far we're at about a 5.9 million, and that's just over the course of the first two years.

As I mentioned earlier, the initial costs are more than anticipated simply because people who might be 50 years old and have never seen a dentist have now suddenly come in and received all the very basic things.

Once that becomes regularized, they anticipate costs will go down.

Hon. Marilou McPhedran: I wonder if Senator Papatello would take a question.

Senator Papatello: Yes.

Senator McPhedran: This is a two-part question and is born of my being intrigued. Senator Papatello, being familiar with the Senate Rules, did you know that the poster you held up would be considered a prop under our Rules? If you did know that, could you please share your rationale for doing so?

Hon. Sandra Papatello: Yes, what I was trying to do, Your Honour, was not show it but simply pass it so that I wouldn't be showing it. I am fully aware of the Rules, have been subject to the Rules in the chamber for a good part of my career and have managed to avoid breaking them. I am happy to pass you the photo because you would be impressed with what these things look like.

Hon. Rebecca Patterson: Would Senator Papatello take a question?

Senator Papatello: Yes.

Senator Patterson: Thank you very much. This is on dental care costs. It is understandable why the initial outlay has arrived in a costlier fashion. Dental care is charged at market rates. It's not like universally insured health care where there's negotiations with the province — or is it?

From a perspective of curiosity, are you aware of whether the Canadian Dental Care Plan has also made agreements with different dental practices to contain costs?

Senator Papatello: Thank you for the question. I'm not aware of the long-term organization. The group managing the program is considering or watching carefully what the provinces do — for example, regarding individuals who already have coverage — ensuring these claims come in after using a provincial program and hoping that there are other programs in place that this program won't replace, which would significantly increase the national cost for us.

They are looking at a number of things as it develops. The message from those who appeared before the committee was that they are surprised by the take-up, impressed that so many Canadians need the service and believe that those costs will, over time, come down and be more appropriate.

However, that initial launch has been expensive, and people recognize that it was more than anticipated, which is why they're coming back.

No one questioned the necessity of the program or thought it was a poor idea. They just need to manage those expenses, which they anticipate, over time, will come down.

Senator Patterson: To follow up on that, it's about time we realize that dental health is health. I can use World War I and World War II statistics and tell you that we lost more soldiers to dental disease than were wounded or killed in action. When we are looking at the health of Canadians, this is very important.

However, I hope that there is close control over this program and that Canadians don't become complacent and think this is the same as universally insured medical care. Would you agree?

Senator Papatello: I completely agree with those comments. Depending on income level, the level of support changes. Many people don't have the income to pay up front. If they receive an unexpected large bill, which many of us may well have had, they don't have \$500 to pay the bill, so a system has been created where the dentist provides the service and is then reimbursed. They have had to think about how people will approach the service.

Most importantly, folks are helping people to utilize the system, letting them know there is a program that can be applied for and that if yearly income is under \$90,000, there will be some level of support — potentially 100%. That is important. It's not luxury. They are not having bonding done to whiten their teeth. These are necessities, things like cavities, repairs, dentures — things people need to survive. The research is there to suggest affiliation between heart disease and not taking care of your teeth. All of these things are well known now, and it seems timely that we are doing this. We should be very happy that people are taking up this program.

Hon. Elizabeth Marshall: Honourable senators, I rise to speak as critic to Bill C-17, which is the government's third appropriation bill for this fiscal year. I would like to thank my honourable colleague Senator Papatello for her comments.

Honourable senators may recall that we approved two appropriation bills prior to the summer adjournment in June. Appropriation bills were approved for the Main supply and Supplementary Estimates (A). Appropriation bills, once approved by Parliament, provide government with the money it needs to operate. So far this year, appropriation bills, including this bill when it is approved by Parliament, will have provided government with the authority to spend \$242 billion.

In addition to appropriation bills, government also receives authority to spend under numerous other legislation. For example, the Financial Administration Act provides government with the authority to pay interest on government debt. Old Age Security benefits are paid under the authority of the Old Age Security Act. Generally speaking, slightly less than half of government spending is authorized by appropriation bills and slightly more than half is authorized by other legislation and is called statutory spending.

The Supplementary Estimates (B) document, or the Blue Book, as we commonly call it, which was tabled in the Senate last month, outlines \$242 billion in spending approved by appropriation bills and \$264 billion approved by other legislation for a total projected spending to date of \$506 billion, which is \$74 billion less than the \$580 billion estimated in the budget.

We still have three months left in this fiscal year, so I expect that the remaining \$74 billion will most likely be approved by the next appropriation bill or by other legislation. However, it should be remembered that the budget included \$20 billion in new budget initiatives this year, and we have yet to see these included.

It will be interesting to see if government spending this year exceeds the \$580 billion estimated in its budget and whether they include funding for the \$20 billion in new budget initiatives.

In previous years, government included a section in its estimates document which compares the spending outlined in the estimates document to the expenditures in the budget.

However, this information was not provided this year. Officials told us that at the beginning of the year, they didn't have a budget; however, there was a budget tabled on November 4, and it disclosed projected expenditures of \$580 billion for this year. That information should have been used to provide the comparison between the estimates document and the budget.

In this bill, 76 departments and organizations are requesting authority to spend a total of \$10.8 billion. The Department of Health is requesting \$1.6 billion, the only organization to request more than \$1 billion. Six other entities are requesting more than \$500 million. These are Indigenous Services Canada; Crown-Indigenous Relations and Northern Affairs; Foreign Affairs, Trade and Development; Immigration, Refugees and Citizenship; Treasury Board Secretariat; and VIA Rail Canada.

Of the \$10.8 billion being requested in this bill, \$1.4 billion, or 13%, is for personnel costs across a number of departments and organizations.

• (1530)

When this bill is approved, government will have approval to spend \$66 billion on personnel costs this year, which is \$4 billion higher than the amount approved at this time last year. The recently released Public Accounts of Canada indicate that personnel spending last year was \$76 billion, which was 6% higher than the \$72 billion spent the previous year.

Based on *The Fiscal Monitor* for August, published by Finance Canada, personnel spending between April and August of this year increased 7.8% compared to the same period last year. However, Treasury Board data indicates there are fewer employees in the public service this year when compared to last year. Despite the reduction in the number of employees, personnel spending continues to increase.

Given the growth in spending on professional and special services, government made a commitment to reduce costs in this area. Last year, with the approval of Supplementary Estimates (B), government had the authority to spend \$22.7 billion on professional and special services. This year, when this bill is approved, government will have authority to spend \$28.2 billion, a significant increase of \$5.5 billion.

The recently released public accounts for the last fiscal year indicate that professional and special services were \$19.6 billion last year, up from \$17.8 billion the previous year, an increase of 10%. However, Finance Canada's *The Fiscal Monitor* for August indicates that \$6.6 billion was spent on professional and special services between April and August of this year, compared to \$6.46 billion during the same period last year, an increase of 2.4%. It remains to be seen whether spending for the entire 2025-26 fiscal year will remain at a level comparable to last year.

Of the \$10.8 billion being requested in Bill C-17, the Department of National Defence is requesting \$36 million, which is net of an increase of \$1.1 billion and \$1 billion transferred to other departments. Departmental officials were asked why \$1.1 billion was being requested by the department, yet \$1 billion of the department's funding was being transferred to other departments. Officials testifying at our Finance Committee said they could offer no explanation and indicated they were actually surprised by the extent of funding being transferred.

Once we approve this bill, the Department of National Defence will have authority to spend \$46.7 billion, which is a significant increase when compared to the \$35.6 billion that had been approved at this time last year. This increase of \$11 billion is attributable to the government's commitment in June to provide \$81.8 billion over five years, on a cash basis, to rebuild, rearm and reinvest in the Canadian Armed Forces.

Honourable colleagues may recall that we already approved \$9 billion of the \$81.8 billion in June in the Appropriation Act No. 2. I expect that the remaining \$72 billion will be requested in future appropriation bills.

Given that the government's 2024 defence policy and the department's 2025-26 departmental plan both outline spending, it is unclear how the \$81.8 billion announced in June and included in Budget 2025 relate. For example, the Departmental Plan 2025-26 outlines spending of \$35.6 billion this year, yet the department will have the authority to spend \$46.7 billion once this bill is approved. There's a mismatch of numbers.

The government has also indicated that, with the increased funding, it will meet its 2% NATO target by the end of this fiscal year and the 5% of GDP target under the revised NATO framework by 2035. With regard to the 5% target, the budget states that government will invest 3.5% of GDP by 2035 in core military needs, such as supporting the Canadian Armed Forces and modernizing military equipment and technology. To meet the remaining 1.5%, the federal government expects that currently planned spending by all levels of government — federal, provincial, territorial and municipal — will meet the remaining 1.5%.

The Parliamentary Budget Officer, in his testimony before our committee, told us that in terms of meeting the 2% target for this year, "... it will be close ..." However, with regard to meeting the 5% target, he said, "... it is unclear at this point." He said that immediately following the budget, he sent an information request to the Department of National Defence, because it was unclear to him how much of the \$81 billion announced in Budget 2025 was new and how much was incremental. In his information request to the Department of National Defence, the Parliamentary

Budget Officer specifically asked for clarification as to how Budget 2025 measures compared with existing spending projections, and how much of the funding represents new resources rather than reallocations within existing plans. To summarize, he said, "At this point, there is not a clear path in getting to the 5% target."

Of the \$10.8 billion being requested in Bill C-17, \$1.6 billion is being requested by Health Canada for the Canadian Dental Care Plan. Parliament had already approved \$3.2 billion for the dental care plan in the Main Estimates in June, and this request of \$1.6 billion will increase funding for this year to \$4.8 billion.

Last month, the Minister of Health announced that "... close to six million Canadians are now covered under the Canadian Dental Care Plan ..." at an average cost of \$800 a year. Six million Canadians at \$800 a year results in the \$4.8 billion in funding requested for this year.

The Canadian Dental Care Plan was enacted by Bill C-31 in 2022 and Bill C-47 in 2023, so it is a fairly new program. In June 2023, the dental care plan was estimated to cost \$13 billion over five years and \$4.4 billion annually thereafter. Specific to this fiscal year, 2025-26, the estimated cost at that time was \$3.2 billion, which is significantly less than the \$4.8 billion now being estimated.

Officials told us that the department is expecting costs to level out at \$4.1 billion annually by 2030. Departmental officials also told us that of the 6 million Canadians eligible under the dental care program, 2.4 million people have actually received care, and the department is estimating the actual cost for this year to be \$4.32 billion.

To track and understand the cost of the program, the department needs to determine the actual average cost per person for each fiscal quarter.

Officials also told us that a financial controls audit was undertaken and completed earlier this fiscal year. Overall, they said there was a positive outcome. However, given that the dental care program is a new program and actual costs are now exceeding the estimated costs of the program, the department should undertake or request an independent audit of the program.

Once this bill is approved, the Department of Health will have approval to spend a total of \$12.2 billion. Last year at this time, the department had approval to spend \$9.5 billion. This is a significant increase.

To meet its 15% savings target over three years, Health Canada says that activities selected for reduction have consistently shown low demand, overlap with other jurisdictions or sectors or provide minimal health benefits. Given the increasing costs associated with the Canadian Dental Care Plan, the department is going to be challenged to implement its reduction targets.

Of the \$10.8 billion being requested in this bill, the Canada Revenue Agency is requesting \$185.6 million, bringing their total spending approved by appropriation bills to \$5.3 billion. In addition to this \$5.3 billion, the agency also has authority under other legislation to spend another \$5.6 billion, of which \$4.2 billion is estimated to be the final Canada Carbon Rebate to be paid this year.

• (1540)

The agency's total spending authority so far this year is \$10.8 billion, compared to \$21.3 billion last year, a decrease of \$10.5 billion. This decrease is attributable to the cancellation of the consumer fuel charge.

Budget 2025 indicates that the Canada Revenue Agency will wind down units that are no longer required, such as the Digital Services Tax and the Canada Carbon Rebate, and use some of these "savings" to "... improve services, strengthen compliance, and reduce tax debt."

It is anticipated that these "reinvested savings" will have an estimated positive impact of \$1.1 billion annually from 2028-29 onward, which will contribute to the government's projected savings of \$60 billion over five years.

With regard to debt collection, taxes owed to the government have been increasing each year. Gross taxes receivable as of March 2025 was \$244 billion, up from \$230 billion the previous year and significantly more than the \$111 billion recorded in 2015. Taxes receivable, or taxes owed, has been increasing faster than tax revenues.

The government, in its budget, recognizes the need to address the backlog of tax debt by indicating that modernizing government operations at the Canada Revenue Agency "... will free up resources ... to address the backlog of tax debt." In addition, the agency, in its 2025-26 departmental plan, acknowledges that "tax debt continues to grow." The departmental plan also quotes factors that resulted in the cessation of collection activities with respect to tax debt — I was never aware of that — and goes on to say that "the Canada Revenue Agency strives to increase the resolution of the tax debt."

Given that the agency is being given significant additional money to improve debt collection, the agency should be reporting how their tax collection rate has improved as a result of the additional resources provided. Canadians and parliamentarians would benefit from reporting that would connect the additional resources provided with the improved tax collection.

The Treasury Board of Canada Secretariat is requesting \$926 million, of which \$595 million is for the public service insurance plan. The public service insurance plan includes health and dental care benefits, as well as disability and life insurance, for active and retired employees, and their eligible dependents. Costs have increased over the past number of years, and Treasury Board has indicated that funding for the public service insurance plan is expected to further increase due to a number of factors, such as the rate at which benefit plans are accessed, an increase in the cost of new medical technologies and an increase in the number of plan members.

The secretariat's departmental plan for this year estimates that the cost for this year will be \$4 billion, \$4.2 billion next year and \$4.4 billion the following year. The departmental plan also indicates that the cost of the public service insurance plan was \$10.9 billion last year, and the increase was mainly attributable to a \$6.425-billion actuarial shortfall in the public service supernannuation account.

Given the significant and increasing costs of the public service insurance plan, the Parliamentary Budget Officer was asked whether he had examined the cost trajectory of the public service insurance plans and programs, and if comparisons exist with other jurisdictions. The Parliamentary Budget Officer indicated that this would be a significant undertaking and would require a committee motion to authorize him to undertake such a project. The committee's motion was approved on Tuesday, and we are now looking forward to the report from the Parliamentary Budget Officer.

Crown-Indigenous Relations and Northern Affairs Canada is requesting \$1.385 billion, of which \$944 million is related to agricultural benefits claims and federal Indian day schools settlements. As the Parliamentary Budget Officer stated in his report on Supplementary Estimates (B), Indigenous-related claims are a major driver of the federal provision for contingent liabilities. The government's contingent liabilities have increased considerably in recent years and has significantly increased the deficit in some of those years. Of particular concern to me is the lack of information provided to parliamentarians and Canadians, and the impossibility of determining transactions that increase and decrease the number of contingent liabilities being recorded in the government's financial statements.

Although the government's financial statements report the net annual change in contingent liabilities, the Parliamentary Budget Officer recently confirmed that parliamentarians do not have access to the underlying flows that would show how much of it reflects newly recognized liabilities versus settlements or extinguished obligations.

Despite the magnitude of contingent liabilities and their significant impact on increasing deficits, the government has provided very little information on them. In 2022-23, an increase in contingent liabilities increased the deficit by \$26 billion. Except for this \$26 billion, the government would have recorded a deficit of \$9 billion rather than a deficit of \$35 billion. In 2023-24, government reported a deficit of \$61.9 billion. Included were expenses of \$16.4 billion attributed to an increase in contingent liabilities. Except for this \$16.4 billion, government would have recorded a deficit of \$45.5 billion rather than \$61.9 billion.

The government has recognized the impact that contingent liabilities have had on the deficit, and discussed the issue in its *2024 Fall Economic Statement* that was tabled one year ago in December. It committed to convening a working group of experts to advise on the government accounting of future potential contingent liabilities and said that the working group would inform the presentation of contingent liabilities in Budget 2025, which we were expecting in March or April.

Unfortunately, Budget 2025, which was tabled last month, provided no update, except to repeat last year's commitment, stating that:

Actions are underway to manage this uncertainty through improved visibility and oversight on large areas of contingent liabilities

It went on to say:

In addition, experts are also being engaged on how to improve public communication of contingent liabilities.

As a bare minimum, the government could improve oversight by merely providing the annual increase in contingent liabilities as well as the annual decrease rather than the net amount. That would provide a step in the right direction, pending the delayed reporting of the "expert" working group.

To conclude, honourable senators, this bill will give government approval to spend \$10.8 billion of the \$580.9 billion in projected expenditures for this year. This works out to 1.8% of expenses. Our committee held two meetings and heard from the Parliamentary Budget Officer and officials from five government departments. There were four hours of hearings, after which we began our study of the budget implementation act.

In closing, I would like to thank our chair and deputy chair, Senators Carignan and Forest, for their leadership. I also extend my appreciation to my committee colleagues for their excellent questions. Thank you also to our committee clerk, our analysts and all staff who ensured that our meetings ran smoothly.

Thank you, honourable senators.

The Hon. the Speaker: Are senators ready for the question?

Hon. Senators: Question.

The Hon. the Speaker: Is it your pleasure, honourable senators, to adopt the motion?

Some Hon. Senators: Agreed.

An Hon. Senator: On division.

(Motion agreed to and bill read second time, on division.)

THIRD READING

The Hon. the Speaker: Honourable senators, when shall this bill be read the third time?

• (1550)

Hon. Sandra Pupatello: Honourable senators, with leave of the Senate and notwithstanding rule 5-5(b), I move that the bill be read the third time now.

The Hon. the Speaker: Is leave granted, honourable senators?

Hon. Senators: Agreed.

The Hon. the Speaker: Is it your pleasure, honourable senators, to adopt the motion?

Some Hon. Senators: Agreed.

An Hon. Senator: On division.

(Motion agreed to and bill read third time and passed, on division.)

[*Translation*]

ENERGY EFFICIENCY ACT

BILL TO AMEND—SECOND READING—DEBATE ADJOURNED

Hon. Duncan Wilson moved second reading of Bill S-4, An Act to amend the Energy Efficiency Act.

He said: Honourable senators, I rise today as the sponsor of Bill S-4, An Act to amend the Energy Efficiency Act.

The bill before us comes at a critical moment for Canadian consumers, businesses and industries. At a time when rising prices are spreading to every sector and the historic stability of certain international trade relationships has been shaken, Bill S-4 takes a step in the right direction by proposing measures to improve affordability for Canadian consumers and businesses through energy savings.

What's more, given the unprecedented technological advances that have been made since the Energy Efficiency Act was passed in the early 1990s, this bill represents a necessary modernization of our energy efficiency standards and procedures. This modernization will not only save consumers and businesses money, it will also contribute to Canada's climate action.

[*English*]

Before I begin outlining the substance of Bill S-4, I would like to share a personal reflection that provides insight as to why I'm pleased to sponsor this legislation.

Colleagues, in my previous life as an executive of the Vancouver Fraser Port Authority, we led a lot of work to reduce environmental impact from port operation and development. One such initiative that our team developed and led was called the Energy Action program. Through this program, which was partly sponsored by BC Hydro, we worked with tenants and terminal operators to identify opportunities for reducing energy consumption. The impact of this work significantly reduced energy usage and produced substantial cost savings for businesses in the port community. In total, to date, the program has reduced 135 gigawatt hours of electricity annually, which is the equivalent of taking 15,500 homes off the grid.

Through this work, I saw first-hand the transformative power of energy innovation in protecting our environment and helping the bottom line of businesses. Carrying those lessons with me into the Senate Chamber, I approached Bill S-4, An Act to amend the Energy Efficiency Act, with the knowledge that modern energy efficiency standards are integral to energy security, to climate progress and to the prosperity of our communities, businesses and households alike.

Honourable senators, to better understand the need for the legislation before us, it is important that we understand the history and value of the current version of the Energy Efficiency Act. This act was originally passed in 1992, but we live in a vastly different world today than we did more than three decades ago.

Back in 1992 when this act came into existence, CDs had just overtaken cassettes and vinyl as the most popular way to listen to music. It was also the year of the first text message, and most of us had not yet even dreamed of making an online purchase.

When it was adopted, the Energy Efficiency Act was visionary for its time. It established a federal foundation for strong energy efficiency regulations, enabling us to set minimum standards for residential, commercial and industrial products. This act represented nothing short of a great national achievement and a legislative success story.

From 1995 to 2024, measured in 2023 currency, these regulations delivered over \$110 billion in savings for Canadian families, businesses and industries. They have also resulted in energy savings equivalent to powering every household in Canada, approximately 16 million households, for four entire years.

At the same time, the energy savings directly attributed to the Energy Efficiency Act translated into the avoidance of more than 770 megatonnes of greenhouse gas emissions. In easily digestible terms, this would be the equivalent of taking all passenger vehicles in Canada off the road for a staggering 12 years.

Yet when this act was created, machines like appliances were simpler, built for a single purpose. Our regulations didn't have to evolve quickly because technological achievements moved at a much slower pace. The smart connected devices we take for granted today existed only in science fiction like "Star Trek" and "The Jetsons."

Where bricks and mortar once reigned supreme, billions of dollars of commerce now flows through online platforms with products criss-crossing borders at ever-increasing rates. Innovation such as smart thermostats, AI-equipped industrial systems and appliances that draw information from the grid to make efficiency decisions are becoming commonplace. These things are no longer the exception but the norm.

Modernizing this act will help us to better leverage the power of these products to increase our energy security. The amendments are also designed to help future-proof the act so that Canada can operate with not only the tools required today but also those that will help us to respond to the unforeseen challenges of tomorrow.

Honourable senators, energy efficiency remains one of our most strategic, relevant and powerful tools for tackling affordability for individual Canadians and businesses alike. This approach has proven to lower energy bills, strengthen our electricity grid, reduce emissions and fortify our economy.

The International Energy Agency calls energy efficiency "the first fuel" in clean energy transitions because it is one of the quickest and most inexpensive ways to mitigate greenhouse gas emissions while lowering energy bills and strengthening energy security. To be effective, though, our lives must keep pace with the changing context of energy use. Of equal importance, we must modernize because affordability is more important than ever. In an era of inflation, global economic trade uncertainty and rising economic costs, every dollar saved on energy is a dollar that can be spent elsewhere — for example, on our families, our communities and our aspirations.

Colleagues, without the advancements this bill represents, we will allow our regulatory frameworks to lag. This stagnation will reinforce or create loopholes, inefficiencies and unnecessary burdens. Challenges with online sales, outdated standards and slow regulatory response would erode progress and leave Canadians and their wallets exposed.

Alternatively, we can seize the opportunity that Bill S-4 represents in reimagining the Energy Efficiency Act with a focus on improving affordability, powering innovation and slashing red tape. The amendments presented in Bill S-4 fall into four broad groups, each serving to strengthen both our economy and our climate action. The first group of amendments are designed to enable a range of regulatory and non-regulatory tools, three of which I will highlight.

First, the bill would cut red tape by allowing qualifying industries to demonstrate the real-life marketplace impacts of new products or services under a temporary set of rules and regulatory supervision. This is a critical piece of the legislation in support of industry as these amendments feature the ability of the minister to provide exemptions from the application of any provision of the act. This exemption can be for up to three years, with a possible three-year term extension, and allows for the testing of new products or ideas to stimulate innovation, competitiveness or economic growth.

These so-called sandboxes allow a large amount of flexibility to both businesses and industry to support their continued innovation. They do so by allowing industry to demonstrate the real-life impacts of a new product in the marketplace, under a temporary set of rules and controlled by regulatory supervision. This will help the government decide whether to make permanent changes to how a product should be regulated.

Colleagues, allow me to give you an example of how these sandboxes would work in practice.

• (1600)

About a decade ago, an appliance manufacturer wanted to start selling heat pump clothes dryers in Canada, as they are a more efficient product than traditional dryers.

While they were a completely new technology that we wanted in the country, they met the definition of a regular old clothes dryer. The issue was in order to comply with the act's regulations, they needed to be tested according to the prescribed test procedure for both a dryer and a heat pump. That procedure required that the dryer have an exhaust pipe, which is something that heat pump clothes dryers do not have. For a time, this innovative and highly efficient product could not comply with our regulations and could not be imported for sale on the Canadian market.

If a regulatory sandbox had been available then, this appliance manufacturer could have applied to participate, and a new testing protocol could have been developed quickly.

We have all encountered unintended consequences of regulations. I would encourage the government to expand the use of sandboxes in other regulated sectors.

Just recently, I met and assisted a B.C.-based company called Edison Motors, which is facing a regulatory hurdle in getting their modern technology built. I would like to thank my colleague Senator Housakos for connecting this excellent company with my office. They also happen to be a prime example of a company that would directly benefit from a sandbox.

In a nutshell, Edison Motors built Canada's first heavy-duty electric hybrid trucks. The regulatory framework they are beholden to requires them to use a specific U.S.-certified and manufactured engine in their hybrid trucks, but no such engine exists in Canada with an on-road certification.

This company wanted to buy their engines from Sweden to accommodate the novel technology of their trucks, but this European part does not meet Canadian regulations. In this context, the use of a regulatory sandbox would allow this Canadian company to continue to innovate while demonstrating the benefit of updating the regulations to better support this new and emerging technology.

[Translation]

The first group of amendments would also make it possible to make minor changes more quickly by allowing the minister to amend the regulations directly, rather than going through the lengthy process of getting approval from the Governor in Council. This means that new products could be added to classes of products faster.

Finally, the regulations could reference any existing technical standards, guidelines or documents, which would make it easier to update the requirements as technology evolves and avoid the need to rewrite or describe each technical detail in new regulations implemented by the minister.

[Senator Wilson]

Colleagues, the second group of amendments proposed in Bill S-4 aims to modernize the enforcement of the act. Strict standards are only useful if they're enforced and upheld. For that reason, the bill updates the dollar amount of the court-ordered fines, which were set when the act was created back in 1992. This update accounts for inflation, makes the penalties more serious and aligns with other federal laws and the recommendations of the Department of Justice, based on the severity of the violation.

The bill also adds fines known as "administrative monetary penalties" to serve as a flexible, intermediate tool that should encourage compliance and avoid the need for legal proceedings that would burden our judicial system.

Bill S-4 also adds new measures to quickly correct violations by dealers or commercial entities. For example, the minister may order a dealer or commercial entity to take corrective measures if they are found to be in violation of the act.

Finally, the bill clarifies the parameters for virtual inspections so that inspectors, whose job is to verify compliance or prevent non-compliance with the act, are better equipped to perform their duties in an accessible manner. This measure will enable manufacturers and the government to save time and reduce costs.

[English]

Honourable senators, the third group of amendments expands the act's reach to be more responsive to modern-day consumer habits and industry operations. These amendments benefit consumers by changing the requirements for online sales, including the requirement for digital labels, to ensure accurate, meaningful information is available on a product's energy efficiency, whether a person opts to buy in-store or online.

Currently, when you buy online, especially from retailers outside Canada and the United States, you may unknowingly end up with an inefficient product owing to a lack of accessible information. This could result in higher energy bills for years to come. The reason behind this is simple: It is harder to ensure Canadian energy efficiency standards are being met by foreign products.

Imagine it is a heat wave during the summer, and you are desperate for air conditioning. You browse on your usual retailer's website and pick out an option, assuming that it is a reasonable choice, even though it doesn't have any energy labelling.

When it is installed, however, you watch your energy bill skyrocket, and you can barely afford to turn it on. This appliance didn't need to meet Canadian energy efficiency standards because you bought it from an online retailer. With the amendments in Bill S-4, you would be protected from this situation. The retailer would be required to only offer products meeting Canadian standards, and the expected energy use would be clearly labelled.

Colleagues, with this amended act, Canadian shoppers will also be provided with energy consumption information online through virtual labelling, rather than the paper labels which they may never see. This enables Canadian consumers to have the full scope of a product's energy information ahead of finalizing the purchase, whether you buy online or in-store.

Another feature of this legislation is to close what is called the "import for purpose of use" loophole. The amendments in Bill S-4 will remove cases where an apartment landlord, for example, can import less efficient furnaces — if they were older or discontinued — and then install them in their tenants' suites. This would then force occupants of these homes to pay more for heating going forward.

Moreover, honourable senators, the bill also benefits consumers by introducing new types of energy efficiency standards that could go further than just looking at how much energy is used; it would also add stipulations around what kind of energy and how products perform over their life cycle. The definition of "energy efficiency standards" is being broadened beyond performance standards so that a standard prescribed for an energy-using product or class of products may include modern methods to measure energy use.

These new standards reflect the complexity and potential of modern technologies. Efficiency standards would now include requirements for interoperability. This function would allow smart devices to communicate with our electricity system and better support provinces and territories in managing our electricity demands.

Current performance standards are limited to looking at "energy in" versus "task accomplished." Bill S-4 proposes amendments so that standards can be developed based on factors, such as the pieces or features that the equipment must have, how equipment must be able to connect with electrical systems or regarding equipment durability. These expanded standards can enable greater energy efficiency improvements across entire product categories.

As a practical example of these new standards, many utilities have demand response programs that control the temperature setting of air conditioners. Bill S-4's introduction of interoperability and demand standards is a significant step forward, providing the authorities that make it possible to introduce requirements for heating and cooling products to communicate with electricity grids. These new standards are stepping stones to the digitalization of the electricity grid, and it means more reliable and secure energy systems across Canada.

Finally, colleagues, the fourth group of amendments enhances accountability under the act. Canadians will continue to benefit from the regular, transparent and accessible reports from the minister to Parliament on the implementation of the act, including comparing its standards to international standards.

After an initial mandatory review at the 10-year mark, there would subsequently be regular mandatory reviews of the Energy Efficiency Act every five years to maintain Canada's status as a leader on the global stage when it comes to energy efficiency.

• (1610)

As we can all appreciate, it is important to provide some time for everyone to become aware of these changes so they can adapt accordingly. Bill S-4 includes a six-month transitional provision for dealers and sellers to adjust. It also provides the requisite time for the department to do outreach with stakeholders across Canada and beyond.

Colleagues, before I conclude my remarks, I would like to provide information around the timelines for the implementation of this act. Key elements of the bill, including the updated fines regime and the parameters for virtual inspections, will come into force upon Royal Assent.

Other changes will require new regulations, policy frameworks and processes to be developed. These would necessitate discussions with the affected stakeholders, who would be actively involved in that process. These amendments include the new energy efficiency standards, online sales originating outside of Canada, digital labels and the Administrative Monetary Penalties or tickets.

Honourable senators, through Bill S-4, we are empowering our country to be better prepared to thrive within the technological advancements we have seen over the past 30 years, as well as those inevitably to come in the decades ahead.

The Energy Efficiency Act as we know it was created in a bygone era. As I have highlighted, it served us well and saved Canadians a lot of money by insisting that appliances and equipment use less energy. However, in the interest of Canada's continued evolution, the legacy of yesterday must be a stepping stone to continued progress.

Bill S-4 is Canada's answer to a world that is more connected, more digital and more urgent in its call for energy security, climate action and economic leadership.

At its heart, this modernization is about ensuring that every Canadian, no matter their province or territory, their means or how they shop, can access the best and most efficient technologies.

By modernizing requirements around online sales, we would ensure that inefficient products being sold online would meet the same standards as those products sold in stores.

Digital labelling means that Canadians, wherever they live, could go online to learn about the energy consumption of the products they are buying, whether it is during an online purchase or in a retail storefront.

For renters and people who do not choose their own appliances or heating systems, stronger standards mean that all Canadians will benefit from the energy savings attributed to more efficient equipment.

For businesses, revised standards mean that they, too, will reap the benefits of the savings that come with highly efficient equipment installed in their buildings. For industry, the efficient equipment used in industrial processes, such as motors, pumps and compressors, will continue to improve their bottom line.

It is about building a marketplace and a country that reward innovation and ambition. It is about giving our inventors, entrepreneurs and workers the tools and space to be world leaders.

In closing, colleagues, I ask all senators to join me in supporting Bill S-4.

Meegwetich. Thank you.

Hon. Denise Batters: Would Senator Wilson take a couple of questions?

As I quickly flip through the many pages of Bill S-4, amending the Energy Efficiency Act, I wonder when I turn to some of these pages why the federal government is putting so many draconian measures in this seemingly innocuous bill.

There are sections in here that expand powers for warrantless searches and inspections, powers requiring forfeiture, dramatically increasing a federal minister's power to "... undertake any other projects, programs and activities that, in the Minister's opinion, advance those purposes" of promoting energy efficiency, et cetera, and wide powers to disclose personal information. What is the need for these types of widely expanded powers in this bill?

Senator Wilson: Thank you for the question. These specific ministerial authorities for exemptions to regulations are the regulatory sandbox and the quick-response tool. These tools provide critical flexibility to respond to emerging opportunities and unforeseen circumstances but are constrained to very specific situations. They have to be available equally to all companies and are accompanied by stringent guardrails to prevent widespread use.

The minister has the unique position of understanding, developing and presenting energy efficiency regulations. The minister is also supported by technical expertise in close relationships with stakeholders. Regulatory exemptions due to unforeseen circumstances require cohesive relationships with stakeholders.

Stakeholders leverage close relationships with the minister to flag when compliance with regulations seems impossible. Enabling these flexibilities allows the minister to be responsive to these challenges where warranted and allows companies that have these products to be able to innovate.

Senator Batters: I guess we'll delve into that more when we look at this bill in more detail at committee to see which of those priorities of the government are actually required for these sections.

In your remarks, you mentioned flexible intermediate fines by the minister to avoid the use of judicial proceedings. But that also avoids the due process and the protection of courts, and this act actually includes some major new quasi-criminal offences with potential massive new fines listed from \$250,000 for a first offence for some of these fines, as a possibility, up to \$5 million.

And then those flexible intermediate fines by the minister you were talking about, that is the Administrative Monetary Penalty section, and that provides some major powers to the minister to give individuals the ability to issue notices of violations, with fines, and also takes away rights of appeal. Instead, the minister would be the one to review it. It is also taking away the defences of due diligence and reasonable belief.

What types of examples would you give as to why these types of powers, the major new quasi-criminal offences, would be required with those huge fines and also the Administrative Monetary Penalties?

Senator Wilson: Thank you for the question. As I said in my speech, which you heard, this act is more than 30 years old. The fines and the regime that had been in place for those 30 years have not been updated. So the proposed fine levels are consistent with other government departments and have been reviewed by the Department of Justice. That is in terms of the bigger fines.

In terms of the Administrative Monetary Penalties, or tickets, there are times when companies will not be in compliance. Maybe a simple request to have them correct their action is all that is required. But there will also be times when companies are not in compliance and they are continuing to not be in compliance, but not in such a manner that makes it warranted to pursue the more serious, larger fines. Those are situations where the minister or the department would then have the tool to issue tickets or Administrative Monetary Penalties. It is to create more flexibility to ensure people are fulfilling the rules, but not having to load up the justice system with unnecessary litigation and fines.

Senator Batters: With respect to those major quasi-criminal offences and large fines, can you give some examples of the types of things a \$5-million fine would be appropriate to levy for? What type of egregious example would dictate that type of fine?

On the Administrative Monetary Penalties part, why take away the ability to have a due diligence defence or a reasonable belief defence if you're just really trying to correct behaviour?

Senator Wilson: That is an excellent question, and I don't know what would trigger a \$5-million fine. They are intended to be incremental and tied to the magnitude of the offence. So what a \$5-million offence is versus a smaller offence, I can't tell you.

But the whole concept is to create a gradation of different levels of enforcement. So you start with just redirection; if that is not working, you have Administrative Monetary Penalties, and if that is not working, you have fines. I'm assuming by the time we get to \$5 million, it is very serious. I will take that question away and get back to you and the other members of this chamber with an answer as to what would justify a fine at the higher level.

Senator Batters: If you could also please inquire as to why they would take away the due diligence defence and the reasonable belief defence as well.

Senator Wilson: I will do that.

(On motion of Senator Martin, debate adjourned.)

• (1620)

AUDIT AND OVERSIGHT

SECOND REPORT OF COMMITTEE—DEBATE CONCLUDED

The Senate proceeded to consideration of the second report (interim) of the Standing Committee on Audit and Oversight, entitled *Annual Report of the Standing Committee on Audit and Oversight: Activities and Observations for Fiscal Year 2024-2025*, tabled in the Senate on November 6, 2025.

Hon. Marty Klyne: Honourable senators, I am pleased today to speak to the Standing Senate Committee on Audit and Oversight's annual report for the 2024-25 fiscal year.

The 2024-25 fiscal year saw our committee continue to fulfill its mandate, an important aspect of which is the oversight of internal audit. Under the committee's direction, the Chief Audit Executive progressed in the building of an internal audit function.

Major milestones reached in this area during the 2024-25 fiscal year include the committee's adoption of the Internal Audit Charter and the approval of the Chief Audit Executive's multi-year, risk-based internal audit plan — the first such plan to be initiated at the Senate.

The Internal Audit Charter, which took effect in September 2024, is a foundational document which will guide the work of the Chief Audit Executive in carrying out the internal audit plan. In adopting this charter, the committee is making sure the internal audit function at the Senate follows internationally recognized standards.

The risk-based, internal audit plan will be updated on a rolling annual basis and will continue to evolve as the Chief Audit Executive develops the internal audit function.

This plan supports an independent and value-added approach to an internal audit for the Senate. The committee oversaw external audit work during the 2024-25 fiscal year, thereby fulfilling another aspect of the committee's mandate. The oversight of the external auditor included reviewing the 2023-24 financial statements audit plan, subsequently reviewing the audit results and evaluating the external auditor.

In keeping with its mandate, the committee also reviewed quarterly financial reports and the 2023-24 audited financial statements for information purposes.

The annual report outlines the committee's activities in other areas within the committee's remit, such as those related to risk management, and summarizes the activities undertaken by the intersessional authority.

I would also like to draw attention to the committee's observations contained in the annual report. These observations reflect on upcoming priorities for the internal audit function, amongst recommendations in other areas.

Throughout the 2024-25 fiscal year, the Senate's Audit and Oversight Committee strove to advocate for the four principles which underpin our mandate, namely, integrity, independence, transparency and accountability. Our committee will continue to do so as we all work together to ensure financial responsibility within the Senate's operations.

The preparation and tabling of the 2024-25 annual report was delayed this year due to prorogation and dissolution. In addition, our committee had to wait for the adoption of the motion referring past work before being able to finish preparing the report.

Hon. Tony Loffreda: Honourable senators, I rise today to highlight the essential role of the Senate Committee on Audit and Oversight, or AOVS, and to speak to its 2024-25 annual report. As a chartered professional accountant, I know the value that strong, independent audit functions bring to an organization.

Under the *Rules of the Senate*, a committee reports directly to the Senate on internal and external audits, and provides observations and recommendations. This independent oversight is distinct from the work of the Standing Committee on Internal Economy, Budgets and Administration, or CIBA, which manages financial and administrative matters. Members of AOVS cannot serve on CIBA, reflecting a structural separation that reinforces transparency, accountability and responsible stewardship.

Since its creation, the committee has focused on modernizing the Senate's internal audit approach and strengthening its overall oversight culture.

We are fortunate to benefit from the independence and expertise of the external members Robert Plamondon and Héléne Fortin, two distinguished Canadians whose contributions support major initiatives, including a review of the Senate's governance framework and a multi-year analytical review of Senate expenditures compared with other parliamentary bodies. Their work enhances the Senate's capacity to lead and make informed decisions.

Let me emphasize the committee's role within what governance experts call the "lines of defence" model. In this framework, the Senate Administration is the first line of defence, CIBA acts as the second and AOVS serves as the third and final line of defence. It is the last checkpoint ensuring that Senate resources are managed responsibly, effectively and transparently on behalf of all Canadians.

For example, senators' spending rules are set by the Senate. The administration applies internal controls when processing claims, and flags potential risks to help CIBA refine policies. AOVS then verifies that controls work as intended, risks are managed and policies undergo periodic reviews.

When these three lines operate effectively, when they support one another and communicate openly, Canadians can have confidence that the Senate is a responsible steward of public funds.

Audits, importantly, are not launched only when something goes wrong. They are proactive tools that provide assurance, reinforce accountability and confirm the effectiveness of systems and controls. Their goal is to support improvement, prevent issues and strengthen confidence in the institution. Above all, the committee's mandate is about public trust. The committee's recently amended charter now explicitly reflects their role in enhancing Canadians' confidence in the Senate. Strong oversight demonstrates prudent stewardship, transparency and a willingness to embrace independent scrutiny.

As someone who has spent a career in financial oversight, I can say that strong audit functions do not hinder our work, they strengthen it. They reinforce the credibility we need to lead, decide and act. They are a cornerstone of sound governance.

As we move forward, I encourage colleagues to view AOVS as a partner, one committed to ensuring that the Senate meets the highest standards of integrity, professionalism and accountability.

My father has always reminded me that anyone who doesn't care for a penny is not worth a penny. The message is timeless. Prudence, discipline and responsibility must guide everything we do. We cannot afford carelessness in the use of public funds, not only because it reflects on individual senators, but because it affects the reputation of the entire institution.

I hope AOVS can count on this honourable chamber's support as it fulfills its mandate and conducts its future business. We need all senators to be allies in this endeavour. Thank you. *Meegweitch.*

Hon. Senators: Hear, hear!

The Hon. the Speaker: Senator Downe, do you have a question?

Hon. Percy E. Downe: Yes, would Senator Loffreda take a question?

Senator Loffreda: Of course.

Senator Downe: As the speaker noted earlier, and you mentioned in your remarks as well, the two external members of your committee are here. I must say, as a former member of the Audit and Oversight Committee, we couldn't have select better members. We have two outstanding, professional Canadians serving on that committee. It is the only committee in the history of Parliament with external members. We are very well served by them.

In your experience, has the committee — since it's recently new — been receiving the level of cooperation it deserves from all those involved in the operation of the Senate?

Senator Loffreda: Thank you for the question. I agree with you. I now know our two external members well, having worked very closely with them.

I have been on the committee for a few months now; I have not been on the committee for the full five years. I have not heard that collaboration was not there. I think it is there.

I have always used one line: It's not how well we're doing; it's how well we could be doing.

• (1630)

So, yes, collaboration is there, but as I said in my report, I'm counting on the support of all senators to enhance the function of internal audits and of the Senate itself.

This institution has been here since 1867. It's a great institution. It has served all Canadians and the government. It's not a static process, though; it's dynamic. We have to look forward. We always have to question ourselves: How much better could we be doing? How much more collaboration could we have? It's a team effort.

I said there are three lines of defence. The Audit and Oversight Committee is not the first line of defence; it's the third. It's an important question. As I said, it's important we all collaborate going forward.

Senator Downe: I didn't mean to put you on the spot, senator. I intended to ask the chair of the committee, but he sat down before I could stand up. Maybe some of the other speakers can address this point in their comments, as well. Thank you.

Senator Loffreda: I should have asked, but I'm glad to address it. If anybody else wants to do so, feel free.

I think Senator Deacon will speak to this, as well as other senators.

Hon. David M. Wells: Honourable senators, I rise today to speak to a core theme in the Audit and Oversight Committee's annual report and the importance of deliberate, structured planning as the foundation of sound audits and oversight in the Senate.

From the beginning, our committee's work has been grounded in the principles of integrity, independence, transparency and accountability. These have been the foundation since I introduced the creation of the committee in the Senate in 2019. In fact, I was Chair of the Subcommittee on Senate Estimates and Committee Budgets when it was tasked to look at the recommendations from the Auditor General that eventually ended up becoming the committee six years later.

Principles alone don't strengthen an institution. Rather, it is the framework we build around them, and that framework begins with a plan, which now anchors the Senate's internal audit function. This plan is not simply an administrative requirement; it's a best practice, aligned with global internal audit standards. It positions the Senate to identify risks early and act on them responsibly, and it helps to reinforce public trust in our governance.

Colleagues, the plan was developed by the Chief Audit Executive in close coordination with the Senate administration and your committee. Together, we assessed eight key factors that define risk and significance across the Senate's 85 auditable units, covering all corporate, legal, legislative and human resource functions. This is a comprehensive, disciplined undertaking. It ensures that internal audit work isn't based on assumptions but on evidence, consultation and a systematic understanding of where the institution is most exposed.

The result is a plan that identifies where internal audits can provide the greatest value, not only in terms of risk mitigation but in improving operational efficiency, strengthening internal controls and supporting sound administrative practices.

For the Audit and Oversight Committee, this plan forms the foundation of our work plan. Because we revisit it annually, the plan is dynamic. It responds to evolving risks, organizational changes and emerging issues, ensuring that internal audit work remains relevant and forward-looking.

The report also underscores a key point: Planning only succeeds when the institution commits to it. Over time, with senators, the administration and the audit function all supporting independent reviews, the Senate will benefit from a more coordinated and cost-sensitive approach to internal audit. The administration's openness is essential to this work. Their willingness to share information, engage in dialogue and support the Chief Audit Executive strengthens our ability to deliver meaningful oversight.

The report also highlights the importance of strong coordination between the Audit and Oversight Committee and the Internal Economy, Budgets and Administration Committee, two committees with different, but complementary, mandates. The Internal Economy, Budgets and Administration Committee manages administration; the Audit and Oversight Committee provides independent oversight. Clear communication between the two is vital to maintaining an effective internal audit function.

One of the recurring themes in the report is the importance of regular internal audits. Institutions entrusted with public funds must examine their systems constantly, not only in response to concerns but as a normal part of responsible management. Regular audits catch issues early, promote continuous improvement and ensure that risks are managed proactively rather than reactively.

As the internal audit function continues to develop, the Senate will increasingly benefit from independent assurance that programs, systems and decision-making processes are working as they should.

Colleagues, the multi-year internal audit plan is more than a technical document; it is a blueprint for better governance. It provides clarity on risks, direction on priorities and structure for oversight. It ensures that our decisions are informed by evidence, that our vulnerabilities are understood and that our operations continue improving over time.

This is about being proactive rather than reactive; it is about accountability, not just in principle but in practice; and it is about reinforcing the trust that we want Canadians to place in this institution.

Colleagues, at this time, I welcome Senator Saint-Germain to our committee. Her guidance and wisdom will be a great help to us. Finally, I want to recognize Mr. Robert Plamondon and Ms. H  l  ne Fortin in our gallery. It's a pleasure to serve with these people as they continue to serve our Senate.

Thank you.

Senator Downe: Will Senator Wells take a question?

Senator D. Wells: Certainly, Senator Downe.

Senator Downe: First, I want to congratulate Senator Wells for his long service on this committee. As the former chair, he understands, as we all do, the incredible importance of this committee, although the topic can be boring and tedious; as a former member, I know that first-hand. However, it is critically important work.

Senator Wells, I'm wondering if you could inform the Senate: What is the biggest problem currently facing the committee?

Senator D. Wells: Thank you for your question, which is a really good one.

We often run into issues — I won't call them problems — that we have to discuss. There are a few of them. A key one that comes to mind is the clear division between the Internal Economy, Budgets and Administration Committee and the Audit and Oversight Committee. We have different tasks, but we must work together. Sometimes, even after five years of audit and oversight, we're still feeling our way along on some issues that we haven't met before and for which there is no real precedent. We're creating those precedents as we go.

The other thing that I would say — and, again, I wouldn't call it a problem, but it is something we do have to continue to tackle and eventually overcome — is that the Audit and Oversight Committee is here to help the Senate. It's not your typical perception of an audit committee where the CRA will send in an auditor and you tighten up immediately. We are there to be proactive and to help the systems that run our institution become better and more efficient and obviously to respect the money that Canadians entrust to us.

Hon. Colin Deacon: Honourable senators, thank you to the hardy souls who have stayed until the bitter end. I'm the speech you've been waiting for — the last one of the afternoon — so pay attention. This is worth it.

Honourable senators, I am honoured to be a member of the Audit and Oversight Committee, along with Senators Klyne, Loffreda and David Wells. I'm grateful to benefit from the experience and insight of our two incredible external members, Hélène Fortin and Bob Plamondon. I learn from them every meeting. It's so great to have their external benchmarks. The experience they bring ensures that what we do in the Senate lives up to the expectations in the private, public and not-for-profit sectors.

Currently, there is very limited awareness of our committee across the Senate as to the committee's role and benefits. That's primarily because it has been a long journey to get this internal audit function up and running. I commend Senator David Wells, as has already been said, and former members for persevering through those early days. This annual report marks the moment when the Senate's internal audit function has matured to the point where we can start to reap the benefits of that work.

Colleagues, I liken the internal audit function to that of a navigator on a ship — the Senate ship. While the captain — in this case, senators — determines the destination and steers the ship, and the crew — the Senate administration — maintains the ship's key systems, the navigator's role is to provide the objective data, map our path and progress and look ahead to possible risks in an effort to ensure that our ship reaches the chosen destination safely and efficiently.

As a former tech entrepreneur, I can be known to question the pace of progress in the Senate. That's also been true during my time in the Audit and Oversight Committee.

• (1640)

However, I am immensely grateful for the solid foundation that has been created. That's because the internal audit is central to ensuring the Senate's 85 operational units operate effectively and cost-efficiently, with measurable benefits and outcomes and reliable risk management.

So far this fiscal year, the committee has approved the final report of a contracting data analytics review. This is the examination of five years of data associated with the Senate procurement activities. We also considered the preliminary results of a high-level report on the Senate's expenditure trends compared to those of other parliamentary bodies. Looking ahead, we intend to focus an upcoming audit on how risk management, internal controls and governance contribute to the effectiveness of Senate operations.

Additionally, we intend to review — and you need to pay attention here because this is an important one — the governance, administration and approval framework for senators' expenses, including the use of Unit4. There is also a planned review of the Senate's governance framework; however, the timing of each of these projects is subject to decisions around resourcing, and I think that gets to one of the questions that Senator Downe was asking.

Like a good navigator, we're set up independently to read the map and assess progress. We're ready to spot hazards and other risks. Our job is to identify existing and emerging risks so they can be managed before there is an emergency. Risk management beats crisis management every time.

As a committee, we embrace our responsibilities and look forward to presenting you with all of the value that our Audit and Oversight Committee can deliver. I want to thank you, and I hope you join our committee in adopting this report. Congratulations; we're at the end of the afternoon. Thank you, colleagues.

The Hon. the Speaker: Honourable senators, if no other senator wishes to speak, this order is considered debated.

(Debate concluded.)

(At 4:42 p.m., pursuant to the order adopted by the Senate earlier this day, the Senate adjourned until 1 p.m., tomorrow.)

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